



# ***Daily Report***

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## **China**

FBIS-CHI-89-168  
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31 August 1989

# Daily Report

## China

FBIS-CHI-89-168

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31 August 1989

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### Spokesman Comments on Relations With U.S.

HK3108082889 Beijing XINHUA in English  
0822 GMT 31 Aug 89

[“Foreign Ministry Spokesman on Sino-U.S. Relations”—XINHUA headline]

[Text] Beijing, August 31 (XINHUA)—Chinese Foreign Ministry Spokesman Li Zhaoxing said here today that the improvement of the current situation in Sino-U.S. relations depends on the policies and actions of the United States.

In response to a question at the weekly news briefing this afternoon, the spokesman said that at present certain difficulties have emerged in the relations between China and the United States. These difficulties were caused by a deep involvement of the United States in China's internal affairs and its taking lead in imposing “sanctions” against China, which have encroached on China's interests and offended its dignity. “Therefore, the United States should be held responsible for this situation,” he said.

#### Deng in ‘Very Good Health’

OW3108115089 Beijing XINHUA in English  
1121 GMT 31 Aug 89

[“Deng in Good Health: Foreign Ministry Spokesman”—XINHUA Headline]

[Text] Beijing, August 31 (XINHUA)—Chairman Deng Xiaoping of the Central Military Commission is in “very good health”, a Chinese Foreign Ministry spokesman said here today.

In response to a foreign correspondent's question at a news briefing here this afternoon, the spokesman criticized some correspondents who recently created and spread rumors about the health of Chairman Deng Xiaoping.

He stressed that in so doing, they violated journalistic ethics and no correspondent should create and spread rumors on any excuse.

#### AFP Report

HK3108093889 Hong Kong AFP in English  
0936 GMT 31 Aug 89

[Text] Beijing, Aug 31 (AFP)—The Chinese government reaffirmed Thursday that Deng Xiaoping was in good health and criticized foreign correspondents for spreading rumours about the condition of the 85-year-old Chinese leader.

“Chairman Deng Xiaoping is in very good health,” Foreign Ministry spokesman Li Zhaoxing said at a weekly press briefing.

Asked by an American journalist if he could confirm whether Mr. Deng was “dead or alive,” Mr. Li said: “Your question sounds provocative. I'm surprised by it....”

“Foreign correspondents concoct and spread rumours and it is by no means consistent with their occupation to do so,” the spokesman added.

The spreading of rumors is considered a crime under martial law imposed in the Chinese capital on May 20 during a student-led movement for democracy. Martial law regulations also severely restrict news gathering activities.

The Chinese government has denied various reports during the past few weeks concerning the health of Mr. Deng, who has not been seen in public for more than two and a half months.

His last public appearance was June 9 and the last time a photograph of the Chinese leader appeared in the official press was July 2.

Anna Chennault, a Republican Party leader and prominent Chinese-American, said here Sunday that she had been assured by Mr. Deng's children that their father was in good health and vacationing at the Beidaihe beach resort.

#### Riots Not Rights Issue

OW3108105489 Beijing XINHUA in English  
1004 GMT 31 Aug 89

[“Foreign Ministry Spokesman Refutes Amnesty International Report on China”—XINHUA Headline]

[Text] Beijing, August 31 (XINHUA)—Chinese Foreign Ministry spokesman Li Zhaoxing said here today that no foreign country or international organization has the right to interfere in issues which are purely another country's internal affairs.

The charges against China's quelling of the counterrevolutionary riots contained in a report of the Amnesty International are “entirely groundless and unreasonable,” he added.

Asked to comment on the report, the spokesman said at the weekly news briefing today that during the June riots, a tiny handful of people, resorting to terrorism and violence, attempted to overthrow the legitimate government. Their actions violated China's Constitution and criminal law. “This is not an issue of human rights,” he said. “It is entirely legitimate and justified and within the bound of China's sovereignty that the Chinese Government arrested the offenders and brought them to justice.”

### 'No Political Prisoners' Held

*HK3108085089 Hong Kong AFP in English  
0844 GMT 31 Aug 89*

[Text] Beijing, Aug 31 (AFP)—China insisted Thursday that it holds no political prisoners and rejected an Amnesty International report on the June 4 bloodbath in Beijing as "groundless".

Foreign Ministry spokesman Li Zhaoxing told a weekly press briefing that the Chinese government had always attached importance to human rights.

"There is no such thing as political prosecution in China," he added. "Therefore, there is no such thing as political prisoners."

The remarks came a day after Amnesty International published a report in London stating that at least 1,300 people were killed when troops converged June 4 on Beijing's Tiananmen Square to crush seven weeks of student-led pro-democracy protests.

Most of the victims, it said, were "helpless civilians".

It also said there was strong evidence that the Chinese government had taken a "deliberate decision" to conduct secret executions.

Mr. Li made no reference to executions that followed June 4.

But in rejecting the Amnesty International report, he said China had a sovereign right to prosecute those who resisted the army's entry into Beijing with firebombs and brickbats.

"The charges of the organization... against China are groundless," he added.

Even before June 4, the Chinese authorities have maintained that it has no political detainees, although its criminal code includes a section for "counter-revolutionary crimes."

Those known to have been charged with inciting counter-revolutionary activities include outspoken dissident Fang Lizhi, his professor wife Li Shuxian and 21 student leaders.

Mr. Fang and Mrs. Li took refuge in the U.S. Embassy within hours of the Tiananmen Square incident, while seven of the 21 student leaders are known to have been arrested.

Tens of thousands of other people have been detained for periods ranging from a few days to several weeks, according to diplomats and informed sources.

### Prosecution of Illegal Emigrants

*HK3108110589 Hong Kong AFP in English  
1100 GMT 31 Aug 89*

[Text] Beijing, Aug 31 (AFP)—China will prosecute any citizens who flee the country illegally, Foreign Ministry spokesman Li Zhaoxing said Thursday.

"The Chinese government never approves of the illegal exits of its citizens and actually takes preventative measures against them," he told a weekly press briefing.

Mr. Li made the remarks when questioned on the influx into Japan of Chinese nationals posing as Vietnamese refugees.

He made no mention of a meeting Thursday in Tokyo in which Japan asked China to take back the bogus boat people.

### Concern Over Lebanon

*OW3108102389 Beijing XINHUA in English  
0942 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—The Chinese Government is deeply concerned over the latest developments in Lebanon and the recent escalation of artillery warfare in Beirut, a Chinese Foreign Ministry spokesman said at a press briefing here today.

In response to a question the spokesman said, "We sincerely hope that the parties concerned will exercise restraint and work in coordination to promote relaxation of the situation in Lebanon and will refrain from taking any measures which might lead to tension."

### Qian To Visit Mideast

*OW3108084089 Beijing XINHUA in English  
0806 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—Chinese Foreign Minister Qian Qichen will pay a goodwill visit to Jordan, Egypt, Syria and Tunisia from September 16 to 26.

This was announced by a Chinese Foreign Ministry spokesman at a news briefing here this afternoon.

### Support for Nonaligned

*OW3108105889 Beijing XINHUA in English  
0952 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China always supports the Nonaligned Movement for its independence and non-bloc principles, its position to oppose imperialism, colonialism, racism, all forms of external rule and hegemonism, and its struggle for a new international economic order.

Responding to a question seeking comments on the coming summit meeting of the nonaligned countries, the spokesman said the Chinese Government expects the

Nonaligned Movement to play a more important role in international affairs and wishes the summit a success.

### Paris Conference

HK3108090489 Beijing XINHUA in English  
0855 GMT 31 Aug 89

[“Foreign Ministry Spokesman on Paris International Conference on Cambodia—XINHUA headline]

[Text] Beijing, Aug 31 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the Chinese side will, together with all other justice-upholding countries, continue to work to bring about a comprehensive, just and reasonable settlement of the Cambodian question.

When asked about China's assessment of the international conference on Cambodia held in Paris at a weekly news briefing, the spokesman said, “the Paris International Conference on Cambodia lasted a full month. Most of the participating countries did a great deal of work and made due efforts to seek an agreement on a comprehensive settlement of the Cambodian question, which, to a certain extent, served as an impetus to the search for a comprehensive, just and reasonable political settlement of the Cambodian question.”

However, he said, due to the lack of sincerity and to the intransigence of Vietnam and the Phnom Penh authorities, the conference failed to make any substantive progress.

### Liu Shuqing Views Paris Conference

#### ‘Not a Failure’

OW3108090289 Beijing XINHUA in English  
0744 GMT 31 Aug 89

[Text] Paris, August 30 (XINHUA)—Chinese Vice Foreign Minister Liu Shuqing said this evening that the international conference on Kampuchea “achieved no success” but “was not a failure.”

At a press conference here after the conference closed, Liu said “we can't say it failed because most countries hope that the Kampuchean issue will be completely solved.”

The vice foreign minister explained that “the Paris conference had two basic goals: first, to establish an effective international control mechanism under the auspices of the United Nations, supervising the real and complete withdrawal of the Vietnamese troops; second, to set up a quadripartite transitional government headed by Samdech Norodom Sihanouk after the Vietnamese withdrawal, guaranteeing peace and avoiding internal wars in Kampuchea.”

“The co-presidents of the conference will begin consultations within six months with the participants with a view to reconvening it, so I hope the press won't say it was a failure,” Liu added.

Referring to the announced Vietnamese withdrawal, Liu said, “We don't believe in the troops' real and complete withdrawal because Vietnam showed no sincerity at the conference. Without sincerity and effective supervision, the withdrawal is unbelievable.”

Even if there is a control mechanism under the auspices of the United Nations, it won't solve the problem because Vietnam has no sincere desire to withdraw.... There are many Vietnamese troops hiding in Heng Samrin's armies and militia, Liu said.

On China's attitude to the Kampuchean resistance, Liu stated that “China treats the three parties of the Kampuchean resistance forces equally, without discrimination, because they are friends of ours. China supports Samdech Norodom Sihanouk as the leader of the three parties. In military affairs, we will offer them assistance in accordance with their needs.”

On the question of a quadripartite interim government, the Chinese vice foreign minister stressed that we have two principles. First, that the members of the interim government come from all four parties. [sentence as received] Second, the government must be headed by Sihanouk because only he can unite the other three parties. No other member of the four parties has the capability, prestige and influence to unite them.

“Only if Sihanouk takes the leadership can Kampuchea's independence and neutrality be achieved and can the country have peace,” Liu stated.

“Achieving no success at the Paris conference means that Kampuchea's war against foreign invasion will continue, the country will have no peace,” he added.

Liu criticized Vietnam's allegation of “genocide” in Kampuchea, pointing out that Vietnam's purpose is to interfere with the orientation of the conference, cover its act of aggression and maintain colonial control as well as to sabotage the quadripartite alliance.”

“Vietnam has over one million settlers in Kampuchea and is pursuing a policy of colonial rule. Its invasion of the country in the past ten years left many people dead, many destitute and homeless,” he said.

On China's role in resolving the Kampuchean issue, Liu said that “first of all, China will continue to work towards a comprehensive, fair and reasonable settlement of the Kampuchean issue. We hope that peace will be achieved soon. However, it can not be achieved without the establishment of a quadripartite interim government headed by Samdech Norodom Sihanouk.”

“The Kampuchean people are still suffering from the foreign invasion. They should have the right to gain the sympathy and support of the international community,” he added.

“China, as a justice-loving country, will continue to support the Kampuchean resistance forces. This includes

supporting the Kampuchean people in their fight against foreign invasion and in their struggle to achieve peace," Liu concluded.

#### **Support for Cambodian Resistance**

*OW 3108061689 Beijing Domestic Service in Mandarin  
0200 GMT 31 Aug 89*

[Text] Liu Shuqing, vice minister of foreign affairs and leader of the Chinese delegation attending the Paris international conference on the Cambodian problem, said yesterday that China will continue to support the Cambodian people in their resistance against foreign aggression in order to achieve peace at an early date.

Liu Shuqing made these remarks in an interview with reporters after the announcement was made to adjourn the conference.

Touching on what role China will play after the conference's failure to reach a conclusion because of obstruction by Vietnam and Phnom Penh, he said: First of all, China will continue its efforts to bring about a comprehensive, just, and reasonable political solution to the Cambodian problem.

Liu Shuqing said: As a country which upholds justice, China will also continue its efforts in support of the resistance forces.

#### **Yim Su-kyong Case**

*OW 3108110089 Beijing XINHUA in English  
1008 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—A Chinese Foreign Ministry spokesman today expressed the hope that in handling the case of Yim Su-kyong, "no adverse consequences will result for the improvement of the relations between the North and South of Korea."

The spokesman was commenting, in response to a question, on the South Korean authorities' arrest of and their possible death sentence for Yim Su-kyong, a representative of the South Korean university students, who attended the Pyongyang World Youth Festival.

"In our view, personnel exchanges between the North and South of Korea, including students exchange, will contribute to promoting their mutual understanding and the cause of peaceful reunification of Korea," the spokesman said.

#### **Burkina Faso Leader's Visit**

*OW 3108082089 Beijing XINHUA in English  
0751 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—Captain Blaise Compaore, president of the People's Front and head of state and government of Burkina Faso, and his wife will pay an official visit to China from September 7 to 12 as guests of Chinese President Yang Shangkun.

This was announced by a Chinese Foreign Ministry spokesman at a news briefing here this afternoon.

#### **Ties With Poland**

*OW 3108095889 Beijing XINHUA in English  
0929 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—China is willing to keep and develop its friendly and cooperative relations with Poland on the basis of the five principles of peaceful coexistence, a Chinese Foreign Ministry spokesman said here today.

Speaking at a news briefing this afternoon, the spokesman said the formation of the Polish Government is Poland's own business.

He said proceeding from its own conditions, China will adhere to the "four cardinal principles" and policies on reform and opening to the outside world in building socialism with Chinese characteristics.

#### **Soviet Union**

##### **Heilongjiang Expands Trade With Soviet Union**

*OW 3008150189 Beijing XINHUA in English  
1206 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—Over the past few years, Heilongjiang province in northeast China has followed a comprehensive policy of expanding border trade and economic and technical cooperation with the Soviet Union, according to today's PEOPLE'S DAILY.

Since 1988, the province has signed contracts valued at 1.06 billion Swiss francs. Contracts worth 608 million were signed this year alone.

The province has also signed 94 contracts for economic and technological cooperation with the Soviet Union valued at 110 million Swiss francs. The cooperation involves 63 contracts for engineering and labor. Now more than 9,000 Chinese workers are in the Soviet Union.

During the past seven months, 251 million Swiss francs worth of commodities have been exchanged across the province's border with the Soviet Union.

Border trade between the two sides had been suspended for 15 years and was resumed in April 1982. Border trade volume in 1987 was 34,227 million Swiss francs which is two times of that of 1983.

Now the border trade volume and the number of economic and technological cooperation contracts between Heilongjiang and the Soviet Union are 60 percent of China's total number with the Soviet Union.

Since 1982, the kinds of commodities exchanged across the border have expanded from 50 in 1987 to more than 3,000 at the present.



The province has nearly 100 cities and towns bordering the Soviet Union. Besides the ports of Suifen, Heihe and Tongjiang which were previously open, the province has recently opened three other inland river ports at Harbin, Jiamusi and Fujin. An air route between Harbin and Chabarovsk in the Soviet Union will open shortly.

More than 400 delegations from more than 20 Chinese provinces, municipalities and autonomous regions have been invited to make study and business tours to Heilongjiang. They have signed contracts and agreements to set up commodity production bases and factories to produce for the Soviet market. Projects to produce ceramics, woolen sweaters and garments have already gone into operation.

#### **Soviet Nature Protection Delegates Visit Tianjin**

SK3008130689 *Tianjin TIANJIN RIBAO In Chinese*  
10 Aug 89 p 1

[Text] Mao Changwu, adviser to the municipal government, and Li Zhendong, municipal vice mayor, cordially met with all eight members of the Soviet environmental protection delegation led by (Koshikin), deputy chairman of the State Committee for the Protection of Nature of the Soviet Union, at the Yingbin Hotel on the evening of 9 August. Both sides had friendly talks.

The delegation arrived in Tianjin on 9 August. During its stay in Tianjin, the delegation will visit the Jizhuangzi sewage treatment plant, tour the city, and hold discussions with relevant departments of the municipality on Tianjin's environmental planning, urban planning, prevention of noise pollution on round-the-city roads, and prevention of oil pollution in Xingang Port. The visit of the delegation to our country represents the first inter-government exchanges between China and the Soviet Union in the field of environmental protection.

Yue Jiwei, director of the municipal environmental protection bureau, was present at the meeting.

#### **Northeast Asia**

#### **Column Considers Qian Visit to Mongolia**

HK3108130089 *Hong Kong HSIN WAN PAO*  
in Chinese 31 Aug 89 p 1

["New Talk" column: "Qian Qichen Puts Aside the Cambodian Issue and Visits Mongolia"]

[Text] Yesterday, Chinese Foreign Minister Qian Qichen left for Mongolia on a visit to the country, at the invitation of the Mongolian People's Republic. This is the first time since 1949 that a Chinese foreign minister has visited, alone, Outer Mongolia.

Undeniably, for all these years relations between China and Mongolia have been hampered by the Soviet Union. The fact that Mongolia broke away from China's territory to become an independent country after the Second

World War was a direct result of Stalin's pressure, which had forced the KMT government of China to send Sung Tzu-wen to Ulaanbaatar to sign for recognition.

Since then Mongolia has been virtually under Soviet rule. Moreover, the Soviet army stationed in Mongolia has always been a threat to China. One only has to look at the map to learn what is going on. It would be much faster for Soviet tanks to attack Beijing through the Sino-Mongolian border town Er Lian from Mongolia, than to penetrate northeast China through Heilongjiang from Siberia. In 1945 the Soviet army descended upon the northeast and made a sweep at the Japanese Kwantung Army stationed in "Manchukuo." The Soviet Army thrust sideways from Mongolia into the rear of the Japanese army and blocked its retreat. The move proved to be a major factor that contributed to the downfall, in a matter of days, of the Kwantung Army.

Over the past several years, China and the Soviet Union have conducted talks on normalizing their relations. But the vast number of Soviet troops stationed on the Sino-Soviet border and in Mongolia have been one of the three major obstacles to the normalization of Sino-Soviet relations. However, this year, the Soviet Union formally announced the withdrawal of its army from Mongolia. This, plus the changes in Afghanistan and Cambodia, has moved relations between China and the Soviet Union step by step toward normalization, and with this, it becomes possible that relations between China and Mongolia will achieve some development. Impediment and stagnation will be a thing of the past.

In March this year, Mongolian Minister of Foreign Affairs Gombosuren visited Beijing, the first in the last 40 years to have officially visited China. Qian Qichen's current trip is, therefore, a return visit. Toward the end of last year, China and the Soviet Union signed a mutual treaty concerning the border problems. It was the first border treaty China had signed with its neighbors. Judging all this, it seems possible that there will be new arrangements for economic, trade, cultural and technological cooperation between the two countries.

Qian Qichen was scheduled to go to Paris to attend the international conference on the Cambodian issue. Since no effective resolutions on the Cambodian situation emerged, Qian Qichen decided to have Vice Minister Liu Shuqing attend the Paris Conference for him, while he himself undertook the trip to Ulaanbaatar. Of the five permanent member states of the Security Council, U.S. and British foreign ministers did not attend the conference in Paris.

At the Paris Conference, Vietnam and the Phnom Penh government have dug in their own positions over a total of five issues, which has prevented the establishment of a Cambodian government reconciled by the four sides, and this has split the conference. The focus now is on Vietnam—whether it will pull out its army next month, or whether the Vietnamese army will merely don the Phnom Penh army uniform and continue to fight there.

The situation is more complicated than the Afghanistan situation, where battles have continued after the Soviet military pullout.

Vietnam is solely responsible for the failure of the Paris Conference. Now it remains to be seen what function the Soviet Union will continue to play in such a situation and in its future relations with Vietnam. It deserves close attention to see how China will evaluate the Soviet role, and whether it will demand anything more in the Cambodian issue, which is one of the three major obstacles to normalized Sino-Soviet relations.

### **Economic Talks With South Korea Suspended**

SK3008095789 Seoul YONHAP in English 0827 0317  
30 Aug 89

[Text] Seoul, Aug. 30 (YONHAP)—China has called off talks with South Korea on building closer economic ties, freezing the fledgling economic cooperation between the two countries.

The suspension came when consultations on opening a window for economic cooperation hit a snag due to changes in the attitude of the Chinese side.

The China Council for the Promotion of International Trade (CCPIT) told a working-level delegation from the International Private Economic Council of Korea (IPECK) in Beijing recently to indefinitely postpone their discussions on forming a bilateral body. IPECK officials said Wednesday [30 August].

CCPIT and IPECK had both pushed a plan to open official trade offices in each other's capital to boost economic ties. Korea and China lack diplomatic ties despite growing trade in recent years.

With China calling off the talks, the visit of a high-powered delegation of Korean businessmen Sept. 5-12 has been canceled.

The 20-member delegation was to have included IPECK President Yi Han-pen, adviser Kim Pok-tong, a brother-in-law of President No Tae-u, and Daewoo chairman Kim U-chung.

An IPECK official who was in China to arrange the itinerary of the delegation quoted Chinese officials simply saying it was an "inopportune" time for the trip.

"It is difficult to guess the background of the postponement of talks for now, and it is too early to determine its significance and be pessimistic," said the official. "The Chinese may have felt a burden at the visit of so many top Korean businessmen at one time and so delayed the trip."

However, business sources say it is difficult to expect an early resumption of the economic talks with China.

"CCPIT had promised to arrange meetings with high Chinese officials for the Korean delegation when it

visited Beijing, and the abrupt change was made for reasons as yet unknown," they say.

China watchers in Seoul say it is uncertain whether the action is a simple tactic aimed at winning an advantage in future talks or inevitably arose from a need to reexamine bilateral relations.

China had already stopped talks with the state-run Korea Trade Promotion Corp. on the exchange of trade offices apparently due to its reluctance to consult with an official organization.

Seoul wanted a trade office in Beijing to protect Korean business interests in China and to take a step toward diplomatic relations with China as part of its diplomatic initiatives to improve relations with communist nations.

Korean conglomerates wished to open branches in Beijing or increase liaison offices in other cities such as Shanghai and Dalian, but their plans are in jeopardy.

There have been signs of slowing in Korean firms' rush to Beijing since the turmoil in June and they are maintaining a wait-and-see attitude.

In contrast with dampening economic ties with China, Korean businesses are still making inroads into the Soviet Union, with which Seoul has no diplomatic ties either.

Samsung opened a liaison office in Moscow in January and Daewoo and Lucky-Goldstar plan to set up branches in the Soviet capital this year.

Officials from Hyundai left for the Soviet Union Tuesday to establish offices in Moscow and Nakhodka.

Major Korean companies are also poised to move into Vietnam as soon as Vietnamese troops pull out of Cambodia, scheduled for October, and thus restrictions imposed by Seoul are eliminated.

Seoul's trade with the Soviet Union and Vietnam is smaller than with China, which had been engaged in active trade with Seoul through Hong Kong even before the South Korean Government began its "northern policy."

### **Hulun Buir League Opens Trade With Mongolia**

SK3008125189 Shenyang DONGBEI JINGJI RIBAO  
in Chinese No 380 5 Aug 89 p 1

[Text] The Hulun Buir League in Inner Mongolia Autonomous Region recently opened its border barter trade with the People's Republic of Mongolia. The first barter trade between the league and the Republic is worth 100,000 Swiss francs.

The border boundary between the league and the Republic totals more than 1,000 km. The residents of the league and the Republic have similar backgrounds in various fields, such as language, habits, customs, and



etiquette. According to historical data, both the league and the Republic have had frequent contacts in the fields of economy and culture.

In the beginning of 1989, a Hulun Buir league economic and trade delegation, led by Wang Yunting, head of the league, paid a friendly visit to the eastern province of the People's Republic of Mongolia. From 2 to 6 July this year, the economic and trade delegation headed by (Baterhu), governor of the eastern province of the People's Republic of Mongolia, paid a friendly visit to the league. Thus, the bilateral relationship, which had been suspended for more than 20 years, has been restored.

During a visit to the league, an economic and trade delegation of the Mongolian Eastern Province held a talk with the league on the basis of equality and mutual benefit with regard to developing barter trade along the border. After the talk, barter contracts worth 100,000 Swiss francs were signed.

After making an observation tour in the league, the economic and trade delegation of the Mongolian Eastern Province expressed heartfelt admiration for the achievements of the league in conducting reform, opening to the outside world, and building socialism.

#### **DPRK Chief of Staff Returns to Pyongyang**

OW3108121289 Beijing XINHUA in English  
1122 GMT 31 Aug 89

[Text] Pyongyang, August 30 (XINHUA)—A military delegation led by Korean People's Army Chief of General Staff Choe Kwang wound up a visit to China and returned home by special plane this afternoon.

Choe, also an alternate member of the Politburo of the Workers' Party of Korea Central Committee, spent seven days in China and held talks of mutual concern with Chinese Government and military leaders.

#### **DPRK Parliamentary Delegates To Visit 6-20 Sep**

OW3108083389 Beijing XINHUA in English  
0803 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—A delegation of the Supreme People's Assembly of the Democratic People's Republic of Korea headed by its Vice Chairman Sun Sungpil will pay a goodwill visit to China from September 6 to 20 at the invitation of the Standing Committee of the Chinese National People's Congress.

This was announced by a Chinese Foreign Ministry Spokesman at a news briefing here this afternoon.

#### **Korean Military Delegation Visits Qingdao**

SK3108022089 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 30 Aug 89

[Text] Accompanied by Lieutenant General Xu Huizi, deputy chief of the general staff of the Chinese People's Liberation Army, a Korean military delegation headed

by General Choe Kwang, chief of the general staff of the Korean People's Army, visited Qingdao from 28-29 August.

During their stay in Qingdao, the Korean comrade-in-arms visited naval vessels and boarded the (Xiaoyu Shan) to enjoy the sights of Qingdao City and the seashore.

On the evening of 28 August, on behalf of the Jinan Military Region, Lieutenant General Ma Xinchun, deputy commander of the Jinan Military Region and concurrently commander of the North China Sea Fleet, feted the distinguished guests at the (Wangchao) Hotel. Major General (Shen Zhaoji), commander of the Qingdao Garrison District, and Yu Zhengsheng, vice mayor of Qingdao City, were present to help entertain the guests.

Both hosts and guests talked about their friendship and wished a continuous development in the friendship between the people and armies of China and Korea. Korean Embassy here.

... proceeded in a comradely and friendly atmosphere.

#### **Cooperation With Japan To Explore Sunken Ship**

OW3108020389 Beijing XINHUA in English  
1210 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—China and Japan will cooperate to investigate a Yuan Dynasty (1271-1368) ship found in the South China Sea.

The sunken ship, loaded with a cargo of porcelain and other Chinese goods, was discovered in August 1987 in the sea off the Chuanshan Archipelago, part of Taishan County in Guangdong Province.

According to a recently signed agreement, the two sides will begin their preparatory investigation later this year, and formal investigation of the wreck is scheduled to get underway in the spring.

With the approval of the State Council, the State Administration of Cultural Relics last year made a preliminary investigation of the vessel and found it difficult to complete the survey because of the complicated submarine environment and the lack of technology needed to protect the relics.

A decision was then made to seek foreign investment and technology for the investigation. Archaeological institutes in Japan, the United States, Australia and Britain offered to help. Eventually, a Japanese institute was selected to assist in the project. The Japanese partner will provide equipment, technology and funds.

## Southeast Asia & Pacific

### Australian Rules on Students To Apply to Chinese

OW3008210189 Beijing XINHUA in English  
1143 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—The Australian Government will not recruit new Chinese students who plan to study in Australia on a full fee-paying basis for courses of less than 12 months' duration before January 1, 1990, an Australian Embassy spokesman said here today.

He said the move is to enable the Australian Embassy to have sufficient time to process the applications already received.

He said educational institutions in Australia have been advised to suspend recruitment of new short-course students until the backlog is processed and cleared.

The new regulation says that all applicants must be no more than 35 years of age and no dependents of applicants will be permitted to enter Australia at the same time as the applicant for courses of less than 12 months' duration.

It also noted that those who have already applied for short non-formal courses and have already paid their fees and accommodation costs will be required to complete a questionnaire and have to have completed the equivalent of 10 years of education at home.

Those who apply after January 1 next year will have to have completed 12 years of education in China and pay an additional 160 Australian dollars for each visa.

## Near East & South Asia

### Sri Lankan President Premadasa Meets Ambassador

OW3008193789 Beijing XINHUA in English  
1540 GMT 30 Aug 89

[Text] Colombo, August 30 (XINHUA)—Sri Lanka President R. Premadasa said here today that he understood the measures taken by the Chinese Government in crushing the recent counter-revolutionary rebellion in Beijing.

His comments came during his meeting with Chinese Ambassador Zhang Ruijie in the presidential secretariat this afternoon.

The Chinese ambassador gave an account of the real situation in the Chinese capital in June and the measures taken by the Chinese Government to deal with it.

The ambassador also briefed President Premadasa on the viewpoints and position of the Chinese Government on the present international situation, and told him that China would continue to adhere to the endeavor to

reform and open to the outside world and implement its independent foreign policy of peace.

The Sri Lankan president said that he was very happy that normalcy had been restored in China, adding that Sri Lanka would not interfere in China's internal affairs.

The president expressed his hope to maintain the traditional friendly and cooperative relations with China, and appreciated the country's stand to continue reforming and opening to the world and to implement its independent foreign policy.

### CPPCC Vice Chairman Meets Indian Visitors

OW3108015389 Beijing XINHUA in English  
0656 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met here today with a delegation from the Delhi State chapter of the India-China Society.

Headed by Chairman Shiv Charan Gupta, the delegation is here on a visit to China at the invitation of the Chinese People's Association for Friendship with Foreign Countries.

### Sino-Yemeni Cooperation Commission Ends Session

OW3108015689 Beijing XINHUA in English  
0752 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—The second session of joint commission for economic and technological cooperation and trade between the governments of China and Democratic Yemen closed here today.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, met the delegation headed by Muhammad 'Awad Duba [name as received], minister of construction and housing of Democratic Yemen, at the end of the session which opened on August 23.

Lu Xuejian, Chinese vice-minister of foreign economic relations and trade, and Duba signed an agreement on Sino-Yemeni economic and technological cooperation and three other documents.

## West Europe

### NPC Group to Inter-Parliamentary Union Meeting

OW3008150689 Beijing XINHUA in English  
1409 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—A delegation of China's National People's Congress (NPC) led by Fu Hao, member of the NPC Standing Committee and vice-chairman of the NPC Foreign Affairs Committee, left here this evening for London to attend the 82nd Inter-Parliamentary Union (IPU) conference at invitation of the IPU British group.

**Sino-Belgian Joint Venture Put Into Production**

*OW3108020889 Beijing XINHUA in English  
1413 GMT 30 Aug 89*

[Text] Xian, August 30 (XINHUA)—The Xian-Janssen Pharmaceutical Co. Ltd, a Sino-Belgian joint venture, went into partial operation recently.

According to president of the company Feng Sijing, the enterprise has four production lines turning out five kinds of drugs.

It is expected to turn out 77 million yuan-worth of drugs this year. And the figure will climb to 168 million yuan in April next year.

Jointly sponsored by four Chinese enterprises and Janssen Pharmaceutical Ltd Belgium, the company has a total investment of 152 million yuan and a floor space of 112,000 sq m. It is so far the largest of its kind in China.

Construction of the factory started in 1984.

**Political & Social****'Legend of Deng Xiaoping' To Be Published***OW3108120289 Beijing Domestic Service in Mandarin  
2130 GMT 30 Aug 89*

[Text] "The Legend of Deng Xiaoping," a lengthy biographic literary work, will be published soon. It took (Lan Qixuan) and (Li Guopu), writers of minority nationalities of Guangxi, 10 years to finish the book with the support of many Red Army veterans. The book deals with some stories of the revolutionary struggle of Comrade Deng Xiaoping during his youth.

**Reportage From NPC Central Committee Continues****More on Draft Law Discussion***OW3108053389 Beijing XINHUA Domestic Service  
in Chinese 1439 GMT 30 Aug 89*

["Local Broadcast News Service"]

[Text] Beijing, 30 Aug (XINHUA)—Members of the National People's Congress [NPC] Standing Committee attending the Ninth Meeting of the Seventh NPC Standing Committee examined and discussed the draft of the organic law for urban resident committees in group meetings yesterday afternoon. They held that it is very necessary to formulate the organic law and suggested that it be promulgated as soon as possible.

Member Yang Lieyu said: In the past, we had the Organic Regulations for Urban Resident Committees to observe, and the regulations played a fairly positive role with regard to urban resident committees. Since the Great Cultural Revolution, however, the work of urban resident committees has been drastically curtailed. Now the cities themselves and the structure of neighborhoods have both undergone a rapid change, and it is time to define the structure and establish organizations by law to enable urban resident committees to play a still greater role. Objectively, this is also welcomed by the residents themselves. I propose that the draft law be examined, approved, and put into effect as soon as possible.

Members Xu Yunbei, He Huanfen, and Zhou Zhanao said they felt that, as cells of society, urban resident committees are useful in implementing the line, principles, and policies of the party and state if they are well organized. The recent turmoil showed that there are many problems at the grass-roots level in the cities. The work of urban resident committees should be greatly improved and stepped up, and must be carried out by adhering to the socialist orientation. The draft law should clearly spell out what needs to be done to uphold the four cardinal principles.

Member Guo Liwen said: Judging from China's national conditions, urban resident committees should not simply act as organizations for self-management, self-education, and self-service, but accept leadership from the party and

the government as well. It is not right to one-sidedly stress their nature as autonomous organizations.

Member Wang Houde said: The draft organic law for urban resident committees is a very important draft law. At present, the problem is that grass-roots administrative organizations are in deep disorder; some of them have even become nearly paralyzed. The relationship between cadres and the people at the grass-roots level is tense, and there still are some problems in building the small environment in which autonomy can be exercised by the masses. We must have a good environment for law enforcement to ensure that the law is implemented.

**Discusses Hong Kong Basic Law***OW3108120489 Beijing XINHUA in English  
1151 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—A proposal on extending the deadline for soliciting opinions on drafting the basic law of the proposed Hong Kong Special Administrative Region was discussed today at the ninth meeting of the Standing Committee of the Seventh National People's Congress (NPC).

The proposal is for extending the process until the end of October this year.

The proposal was based on a letter to NPC Standing Committee Chairman Wan Li by Ji Pengfei, chairman of the Drafting Committee of the Basic Law.

The extension was proposed because of the failure to complete the work of soliciting opinions by the deadline—the end of July this year—Ji said in his letter.

**Deng Pufang's Firms Continue Operations***HK3108012789 Hong Kong SOUTH CHINA  
MORNING POST in English 31 Aug 89 pp 1, 6*

[By Willy Wo-lap Lam]

[Text] The Hong Kong subsidiary of Kanghua Development Corporation, a gigantic state conglomerate founded by Mr Deng Pufang, son of senior China leader Deng Xiaoping, has become a test case of how serious Beijing is in clamping down on state companies.

Bring Fast Limited, a wholly-owned subsidiary of Kanghua, was founded in Hong Kong in September 1985.

Mr Lin Yan, its chairman, is a primary-school classmate of Mr Deng Pufang. Another director, Miss Xu Wei, is the daughter of Mr Ji Pengfei, director of the State Council's Hong Kong and Macao Affairs Office.

Bring Fast is still in operation despite a personal order by Mr Deng Xiaoping in October 1988 that Kanghua must be restructured and that its overseas branches, including the one in Hong Kong, must be closed.



It was on the same occasion that Mr Deng launched a campaign to "screen and rectify" the nation's 290,000 companies, "beginning with Kanghua, the company that my son founded".

The rectification campaign against companies has intensified since the June 4 Tiananmen Square massacre.

The State Council and the Communist Party in Beijing announced last weekend that they would step up measures to slash "redundant and poorly managed companies".

They said business units run by party and Government departments would be closed down and cadres and their offspring would be forbidden to become engaged in commercial activities.

In late July, the State Council had ordered the closure of Kanghua. Yesterday, a staff member at the company's headquarters in Beijing said: "Our offices are in the process of being dismantled."

A Chinese source said even though the State Council order made no reference to Hong Kong, it is understood that the purge is also meant for the Hong Kong subsidiaries and offshoots of mainland firms.

Bring Fast, which started business with a share capital of \$10,000, is a thriving concern.

Mr Lin Yan, who also holds the title of vice-president of Kanghua, has said that its annual business turnover "is a few hundreds of millions of Hong Kong dollars".

The Hong Kong company's main line is importing steel from South Korea. It also ships in electronic parts and components from South Korea and Japan.

According to industry sources, the steel is destined for construction sites in Shanghai and Beijing, while the electronic components are for the China Electronics Import and Export Corporation and its subsidiaries.

"We are aware of the decision to close down the Hong Kong subsidiary of Kanghua," Mr Lin said yesterday. "We are still awaiting final word from our parent company".

Although the Kanghua headquarters are in the process of being closed down, Mr Lin said that he was still in communication with "senior officials".

Chinese sources in Beijing said that the continued existence of Bring Fast casts doubt on the authorities' decision to terminate Kanghua.

Among the senior executives of the conglomerate are former officials and offspring of senior cadres some of whom are close to the liberal camp of the party.

Kanghua's chairman is Mr Tang Ke, a former State Council minister and confidant of Mr Deng Xiaoping.

Earlier this month, it was fined 12.18 million yuan (HK\$25.57 million) by the State Council for "Buying

and selling foreign currency without permission, re-selling production materials at a profit and evading taxation".

"While Kanghua might be dismantled, the brains behind it might start another company under a new name," a diplomatic analyst said. "Moreover, Bring Fast, which is registered in Hong Kong and which theoretically has no legal links with Kanghua, could go on functioning as the new company's overseas representative".

But Mr Lin said: "The decision to close down Bring Fast is a political, not an economic one. We have been turning in a healthy profit."

"We still have to honour previously signed contracts," he added.

"Moreover, as a Hong Kong company, we must honour Hong Kong laws. We must take care of business deals we had entered into locally. For example, we are still owed money by our business partners."

Bring Fast has a contract, concluded with an overseas partner, to supply raw material to the Shanghai Shidongkou Electricity Generating Plant. This contract runs to 1991.

Chinese analysts think that another reason why Beijing may allow Bring Fast to continue is its good connections with large South Korean corporations. Even though Beijing has no diplomatic relations with Seoul, officials of both sides are eager to expand already robust economic links.

"Because of Bring Fast's connections to Mr Deng Pufeng and senior Chinese cadres, South Korean companies are eager to do business with it," a Chinese source said.

"The executives of a Seoul-based company have sought Bring Fast's help in arranging a meeting with both Mr Deng Pufeng and Mr Deng Xiaoping."

#### Article Views Effectiveness of Enterprise Policy

HK2908020189 Hong Kong SOUTH CHINA MORNING POST in English 29 Aug 89 p 8

[By Willy Wo-Lap Lam]

[Text] Chinese and Western analysts have cast doubt on whether Beijing can achieve its just-announced objective of curtailing the number of inefficient state enterprises and preventing party and government officials from doing business.

The State Council and the party's Organisation Department have stipulated that party and government units can no longer run business offshoots, and that party members or government cadres working in these companies must quit their jobs.

Further, a State Council decision published last weekend noted that companies which are "redundant, poorly managed, or insolvent" will be dissolved.

At the same time, the party's Organisation Department announced that the offspring and spouses of senior cadres are forbidden to engage in all "commercial activities".

These tough decisions follow the 51.33 million yuan (HK\$107.79 million) fine levied on five major state companies earlier this month. One of these, Kanghua Development Company, which used to be run by Deng Pufeng, son of paramount leader Deng Xiaoping, is in the process of being disbanded.

Chinese sources who have reservations about the new measures say that the new regulations only forbid the offspring of senior cadres working in "trading companies" and being engaged in "commercial activities".

This means they can still be involved in other business areas, such as finance and consultancy, which could yield hefty rewards.

Moreover, while the State Council stipulated that the work of screening and rectifying the companies would be completed by next March, the governing body has not specified how many companies will actually be slashed.

Analysts say that senior party and government officials will still try to keep companies with which they have clearly defined relationships.

The State Council admitted last week that "some departments and localities have adopted a wait-and-see attitude and have acted slowly" with regard to the rectification process.

The State Council made it clear that companies in the sectors of trade, commerce and raw material supply will suffer the brunt of the restructuring.

"Provided it has the requisite official connections, it's easy for a trading company to re-register as a manufacturing concern and still engage in commercial activities," a Western diplomat said.

Some of the richest companies in China are in the field of arms trading. And cadres with personal relationships to such well-known politicians as Mr Deng Xiaoping, President Yang Shangkun and disgraced party chief Zhao Ziyang are known to have been involved in selling military hardware to multinational companies.

The State Council pointed out, however, that it will be up to the Central Military Commission (CMC) to decide whether companies run by the People's Liberation Army and its offshoots will be closed down or restructured.

"The CMC—which normally meets only once a year—is not expected to tackle the nettlesome question of military companies any time soon," a military attache with a Western embassy said.

The State Council decision made no reference to what would happen to Hong Kong companies funded with Chinese capital—and in many instances run by Chinese cadres, some of whom are offspring of senior cadres.

### Further Details of Wang Dan's Arrest

HK3108010989 Hong Kong SOUTH CHINA MORNING POST in English 31 Aug 89 p 10

[By Willy Wo-lap Lam]

[Text] A newspaper report in Beijing about the activities of student leader Wang Dan from June 3 to his arrest on July 2 indicates that he made detailed confessions about his involvement in the student movement.

On Tuesday, the BEIJING YOUTH DAILY, a newspaper put out by the Beijing branch of the Communist Youth League, published an article, "How a Leader of the Beijing Autonomous Students' Union was Arrested."

Although it spoke of the student only as "A", there is no doubt among Chinese and Western analysts that it referred to Wang.

According to the newspaper, Wang left Tiananmen Square a little after 11 pm on June 3.

He took a train to the northeast Chinese city of Harbin and arrived on June 4. A day later, he left for his aunt's house in Mu Hu, Anhui province.

Although Wang offered money to his aunt and uncle they informed police of his whereabouts. The newspaper reported that just an hour before the police arrived, Wang, "as though having had a premonition", left town.

He arrived in the east China city, Nanjing, on June 11. There he began to look for ways to leave the country.

In Beijing a few days later, Wang stayed in a high school classmate's home.

"Through this friend," BEIJING YOUTH DAILY reported, "A managed to get hold of the maps of the world and of Hong Kong, and he drafted a plan for escape."

After 20 days, the newspaper reported, Wang contacted a "foreign reporter" with a view to fleeing.

He was arrested soon after meeting Huang Teh-pei, of the Taipei-based INDEPENDENCE EVENING POST.

It was not until August 17 that State Council spokesman Yuan Mu announced Wang's arrest.

According to sources, Wang was badly beaten because he refused to co-operate with interrogators.

A Western diplomat said if Wang had made a detailed confession of his involvement in the student movement from early 1989, more activists might be tracked down.

## More Reportage on Fight Against Corruption

### Officials Give News Briefing

OW3008213489 Beijing Television Service  
in Mandarin 1000 GMT 30 Aug 89

[From the "National Hookup" program]

[Text] The Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security jointly gave a news briefing in Beijing this morning to brief the press how the nation has been implementing the Supreme People's Court and Supreme People's Procuratorate notice which calls on embezzlers, bribe-takers, speculators, and profiteers to surrender themselves within a specific period.

Feng Jinwen, Supreme People's Procuratorate deputy procurator general, said: The notice has displayed its formidable power. According to incomplete statistics, during the period from 15 through 26 August, 1,082 culprits in various parts of the country had surrendered themselves to procuratorial organs, bringing along with them 7.94 million yuan in cash and a large quantity of expensive goods. During that period, some culprits surrendered to people's courts and public security organs. In general, procuratorial organs have not taken any action to detain or arrest those who have surrendered, but have handled their cases leniently according to law, as promised in the notice, after investigating and verifying the facts of the crimes. For example, Tan Guoping, deputy head of Zhongyue Township in Liuyang County, Hunan, received more than 11,000 yuan of illicit money and bribes and made more than 1,000 yuan from selling timber he had stolen. After Tan surrendered and handed over all the illicit cash, the county procuratorate, after verifying the facts about his crimes, acquitted Tan, who could have been prosecuted.

Deputy Procurator General Feng Jinwen pointed out: The notice reflects the principles of the socialist legal system and the party's policy that those who confess shall be handled leniently and those who resist shall be handled harshly. It shows the determination and actions of the party Central Committee and the State Council to punish corrupt people and promote administrative cleanliness, as well as the strong aspirations of the vast number of cadres and people. Acting in accordance with the instructions in the notice is an important part of the general mission of firmly punishing corrupt people and promoting administrative cleanliness.

Feng Jinwen urged all embezzlers, bribe-takers, speculators, and profiteers to take advantage of this rare opportunity to confess, stop committing more crimes, give up illusions, stop worrying, and promptly turn themselves in so that their cases may be handled leniently, or else they will face serious consequences.

Zhu Mingshan, Supreme People's Procuratorate vice president, said: Economic crimes, especially corruption and bribe-taking on the part of some state functionaries as well

as speculative and profiteering activities on the part of some units, are still rampant. People's courts are handling these cases strictly in accordance with the guidelines set forth in the notice, making sure that the rules and policies prescribed in the notice are implemented.

Vice President Zhu Mingshan also briefed the attendees on the way people's courts have handled two cases, one leniently and the other strictly:

Gui Guangqing, director of the Wuhan Metallurgical Research Institute, made more than 416,000 yuan from engaging in speculative and profiteering activities and receiving bribes. On 24 November 1988, Gui turned himself in at the Wuhan branch procuratorate, confessed his crimes, and handed over all the illicit cash. Although Gui ought to be sentenced to death because of the seriousness of his crimes, the Wuhan Intermediate People's Court, considering his initiative to surrender and return the illicit money, and acting in accordance with the Criminal Law and the notice, punished Gui's crimes collectively, sentencing him to life imprisonment and depriving him of political rights for life. Disagreeing with the sentencing, Gui appealed. The Hubei Higher People's Court, which reexamined the case, maintained that although Gui was entitled to a lighter sentence during the first trial in accordance with the guidelines of the notice, based on the fact that the defendant had come forward to surrender and had turned over all the illicit money, he should have received an even lighter sentence. Thus, in punishing Gui for the several crimes he committed, the Hubei Higher People's Court pronounced the final verdict yesterday, giving Gui Guangqing a 15-year prison term and depriving him of political rights for 3 years.

On the other hand, Deng Anhui, a chief accountant of a banking office under the Guiyang branch of the Agricultural Bank of China, embezzled over 143,000 yuan of public funds, working in collusion with Song Shunwen, an independent business operator. After committing the crime, they fled overseas but were later extradited to China. Because of the seriousness of their crimes, Deng Anhui and Song Shunwen were sentenced to death during their first and second trials. After the case was discussed, the Supreme People's Court Judicial Committee approved the death sentences for Deng and Song. Although the felons in the two cases should be given death sentences, they were handled differently owing to the defendants' different attitudes—one turned himself in and the other two fled overseas for fear of punishment. This shows that people's courts are firm and earnest in enforcing the rules set in the notice.

Zhu Mingshan urged people's courts at all levels to firmly enforce all rules set in the notice. However, in order to alienate and stop felons, the people's courts should, within the scope prescribed by law, handle certain cases even more leniently in accordance with the notice's rule No. 2, which deals with leniency for certain cases.



Yu Lei, vice minister of public security, also addressed the news briefing. He urged all public security organs in the country to take an active part in the struggle and work in close coordination with procuratorial organs, people's courts, industrial and commercial administrative departments, customs offices, supervisory organs, and discipline inspection departments in dealing with speculative and profiteering activities, especially the serious economic crimes discovered during the course of screening and consolidating companies.

He said: Public security organs should promptly handle all cases referred to them by relevant authorities. They should actively organize personnel to investigate these cases, repudiate all interference, and follow through with their investigations. Crime informants and felons turning themselves in should be properly received. These people should be able to inform or turn themselves in at any time. Firm and effective measures should be taken to protect the informants. Anyone who has the audacity to rebuff, obstruct, retaliate, or set up informants shall be harshly punished. When a case is being handled, anyone who tries to intercede or cover up the crimes shall be publicly exposed and seriously handled.

### Figures on State Council Offenders

OW2908021589 Beijing XINHUA Domestic Service  
in Chinese 1206 GMT 28 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 28 Aug (XINHUA)—Since the release of the two "circulars" issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Supervision calling on people suspected of crimes and acts of corruption and bribery to voluntarily surrender themselves and confess their crimes, the crime-reporting center of the Ministry of Supervision has received 68 reports involving various State Council departments and their personnel.

It is learned that, of these 68 cases, 6 involve units and individuals at ministerial level, and 9 involve units and individuals at bureau level. All these cases are now under investigation and verification.

### More Criminals Surrender

OW3008205089 Beijing XINHUA in English  
1159 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—Some 1,082 economic offenders gave themselves up to the country's procuratorates at various levels and handed over more than six million yuan worth of ill-gotten gains in the 12 days ending last Saturday.

Of them, 80 percent confessed that they had committed crimes of embezzlement and bribery. About 60 percent of them were either factory directors, managers or accountants.

Feng Jingwen, deputy procurator general of the Supreme People's Procuratorate, told a press conference today that 284 cases involved at least 10,000 yuan each. The offenders included 39 party and government officials at or above the county level.

The Supreme People's Court and the Supreme People's Procuratorate jointly issued a notice August 15 which warns that offenders should turn up themselves in to judicial departments before the end of October.

One offender who turned himself in, according to Feng, is an accountant of a co-operative in Dongguan City, Guangdong Province. Deng Shitao embezzled more than 226,000 yuan, but surrendered to the local procuratorate and handed over all the loot to the local attorney's department.

Zhu Mingshan, vice president of the Supreme People's Court, briefed the reporters on the handling of economic crimes by courts nationwide. Courts at various levels across the country in the first half of this year handled 30,453 cases involving economic crimes—19.74 percent more than in the same period of last year, he said.

Sentences were given to 45,604 criminals, including 3,343 embezzlers, 816 official bribe-takers and 716 speculators, the vice president said. In addition, he said, 13,493 criminals were given terms of imprisonment longer than five years, life imprisonment or the death penalty, including the death penalty with reprieve.

He stressed that economic crimes are still on the rise, particularly major crimes, and quite a few of the offences are committed by government officials or state functionaries.

Addressing the meeting, Vice Minister of Public Security Yu Lei stated that police would closely coordinate with courts and attorneys, industrial and commercial administration departments, customs and supervision departments in a bid to crack down on official speculation and other serious economic crimes.

### XINHUA Cites Cases

OW3008073589 Beijing XINHUA in English  
0545 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—Since the Ministry of Supervision's circular offering amnesty to economic criminals was issued on August 19, a number of local Chinese Government officials have surrendered to supervisory institutions and confessed to embezzlement and accepting bribes.

The overseas edition of the "PEOPLE'S DAILY" reported today that on August 25, Li Yushan, deputy director of the provincial department of machinery industry in Anhui Province, gave himself up to the provincial supervisory department and confessed to embezzling more than 40,000 yuan.

In Shenzhen, a special economic zone in Guangdong Province, 11 officials, including two at division chief

level and three at section chief level, have surrendered to the city supervisory bureau. They handed over 44,200 yuan of illicit money.

Wang Enyi, a former cashier in Shanxi Province's Chemicals and Mineral Company, handed in a report, saying that he had embezzled 20,000 yuan.

As of August 25, Wang had returned more than 10,000 yuan of illicit money.

The paper reported that supervisory departments and other relevant departments will deal leniently with those who have given themselves up.

### **'Misconduct' Reports Assist Drive**

*OW3008142789 Beijing XINHUA in English  
1333 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—China's supervision departments received 228,000 reports of official misconduct from July 1988 to June this year, a senior official said here today.

These reports concerned 1,500 officials at department level and 12,900 officials at county level, Vice-Minister of Supervision Feng Tiyun told a national meeting.

The reports have helped supervision departments a lot in forging ahead with the nation's anti-corruption drive, he said. Some 22.5 percent of the reports concerned officials abusing their power for their own interest and 17 percent concerned the taking of bribes.

By the end of June supervision departments had investigated 13,000 cases, of which 8,600 have already been handled.

Feng said that about 1,800 officials have been punished according to administrative regulations and some of them received legal penalties.

The supervision departments have established a nationwide network for receiving reports, setting up 1,800 reporting centers with a total of 4,000 staff members, Feng said.

The ministry will focus on pushing forward the anti-corruption drive and tightening supervision of officials as the next step, he concluded.

### **Lawbreaker's Sentence Reduced**

*HK3108022589 Beijing CHINA DAILY  
in English 31 Aug 89 p 1*

[By staff reporter Chang Hong]

[Text] The jail sentence of a major embezzler has been reduced "from life to 15 years," in a bid to encourage more law-breakers to confess to judicial authorities before the deadline of October 31, it was announced in Beijing yesterday.

Gui Guangqing, the former Wuhan Metallurgical Institute director who turned himself in to police with 416,000 yuan of graft money, had been sentenced last week by the Hubei provincial court to life imprisonment, "instead of the death penalty he lawfully deserved," according to an earlier report.

However, Gui appealed that sentence to the Higher People's Court of Hubei Province. On Tuesday the high court granted another commutation to his sentence—from life to 15 years.

Gui, while heading the Metallurgical Research Institute of Wuhan, embezzled 403,000 yuan by reselling steel plates, in addition to taking a bribe of another 13,000 yuan.

"These constitute a major economic crime calling for capital punishment," Zhu Mingshan, Vice-President of the Supreme People's Court told a press conference in Beijing yesterday.

The Supreme People's Court and the Supreme People's Procuratorate on August 15 announced a plan to give leniency to those involved in economic crimes if they turn themselves in before the end of October.

"Gui's trial was the first trial conducted after the announcement of the new lenient policy," Zhu said. The Wuhan Intermediate People's Court, which heard the case, first considered the life sentence to be "lenient" in Gui's case, but the higher court ruled that "Gui should be given a more lenient punishment," because he surrendered soon after the announcement of the new policy, Zhu said.

Encouraging more people involved in illegal economic activities to give themselves up, the senior judge promised more leniency, saying that the Supreme Court had delivered a notice to all higher courts and told local judges that they could be more lenient to those who turned themselves in.

By last Saturday, 1,082 people involved in embezzlement, taking bribes and other economic crimes had turned themselves in to judicial bodies across the country.

In addition, 7.94 million yuan in cash, along with other valuables, were handed over, according to Feng Jinwen, Deputy Chief Procurator of the Supreme People's Procuratorate, who also addressed the press conference held jointly by the two highest judicial organs and the Ministry of Public Security.

Like the courts, Feng said, the procuratorate has also handled some cases in accordance with the lenient policy.

Under the criminal procedure law, the procuratorate can exempt from prosecution any case that does not require criminal punishment.

While stressing the policy to encourage those involved in embezzlement and taking bribes to give themselves up, Feng said procuratorial organs would also welcome people, including those in custody, labour reform and education, to report on others if they find them involved in corruption and other irregularities.

Meanwhile, Vice-minister of Public Security Yu Lei said that police authorities across the country would join forces with the judicial, commerce and industry administration, customs, supervisory and Party disciplinary organs in the fight against corruption, with focus on cracking down on the profiteers and speculators.

### Justice Minister on Departmental Corruption

#### Presses for Honest Officials

OW2708181689 Beijing XINHUA in English  
1331 GMT 27 Aug 89

[Text] Beijing, August 27 (XINHUA)—All judicial officials must be clean and honest in their work, Minister of Justice Cai Cheng said here today.

More than 2,300 officers in judicial administration departments were involved in over 2,700 cases violating laws and discipline last year, the minister revealed at a national conference of provincial Justice Bureau directors, which ended here today.

Some judicial officials in education-through-labour centers accepted bribes by taking the advantages providing bailment, release on parole, abatement of penalty for prisoners, Minister Cai said.

Some lawyers even demanded extra payment from their consigners, the minister complained.

"It is very dangerous for such corruption cases [to have] occurred in judicial departments", he noted, and therefore, the work to build clear and honest ranks of law officers must be intensified.

The minister said that his ministry will soon release rules and regulations on punishing the corrupt judicial officials including those working in the education-through-labour centers, bribe-taking lawyers and notaries.

#### Opposes Foreign Lawyer Links

HK2908015589 Hong Kong SOUTH CHINA  
MORNING POST in English 29 Aug 89 p 8

[By David Chen]

[Text] The Chinese Minister of Justice has come out against Chinese legal partnerships with foreign lawyers.

"Business in our co-operative law firms should not be run in the form of partnerships as in capitalist countries," the minister, Mr Cai Cheng, told a national meeting of provincial justice bureau directors yesterday.

He stressed that lawyers should be trained in the orientation of socialism.

Mr Cai's comments have defeated some suggestions, until early this year receiving favourable reviews, that foreign lawyers could join Chinese law firms.

Chinese law firms have been increasing in number following the growth in the number of local legal practitioners and the increase in litigation.

The minister's commentary was brief, but analysts said his stand could have far-reaching consequences for legal practices on the mainland, especially in civil and commercial cases where foreign investors and foreign ventures are concerned.

The immediate impact of the declaration has yet to be seen.

The suggestion to exclude foreign partners had been raised earlier but was given little notice because the country's reform drive was in full swing.

Following the Tiananmen Square crackdown, authorities are apparently re-examining China's business association with foreign companies and assessing influences this would have on the country.

Observers pointed out, however, that Mr Cai's commentary, at most rudimentary, was by no means the final word. More debate is expected before a decision is made.

Mr Cai said a competition system was introduced among lawyers in recent years and more than 60 co-operative law firms had been opened on a trial basis throughout the country.

"Reforms so far in this regard are basically healthy," Mr Cai said, but "we are absolutely against the idea that lawyers in China should become individual professionals as is the case in capitalist countries".

He also called on seminar participants to be "clean and honest" in their work.

He disclosed that more than 2,300 officers in judicial administration departments were involved in over 2,700 cases violating laws and discipline last year.

#### Article Examines Mao Role in Hunan Liberation

HK3008104189 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 334, 21 Aug 89 pp 39-40

[Article by Zhong Decan (6945 1795 3881) and Liu Zhiquan (0491 1807 2938): "Mao Zedong and the Peaceful Liberation of Hunan"]

[Text] The time was 4 August 1949, when China was at the point of winning the decisive victory of the People's War of Liberation. General Cheng Qian [4453 3383]; the Kuomintang [KMT] Changsha Ruijing commissioner, concurrently Hunan provincial government chairman; and General Chen Mingren [7115 2494 0088], the KMT

First Corps commander, sent a joint telegram on the insurrection of their troops from Changsha. Thus, the insurrection paved the way for the People's Liberation Army to emancipate the great southwest and south China. Mao Zedong's meticulous work in this historical incident played a great role in promoting these two generals' insurrection, and there are some inside stories that have hitherto remained unknown to the public.

#### Work Was Conducted Through Personal Connections

During the Chongqing negotiations, with Mao Zedong representing the CPC Central Committee back in the autumn of 1945, Mao had a long and friendly talk with Cheng Qian. Mao encouraged him, saying: "You are a seasoned general. Why don't you run for vice president in the next general election of the KMT government? If you win the election, you may preside over the peace negotiations. Should you fail, you can still control Hunan." That left a deep impression on General Cheng.

Summoned by the KMT Central Government, Cheng Qian went to Nanjing in March 1949. The CPC Central Committee and Mao Zedong instructed Zhang Shizhao [4545 1102 6856], who had been a close friend of Cheng Qian, to make a special trip from Shanghai to Nanjing. There they had quite a long talk, during which Zhang relayed Mao's earnest hopes for Cheng Qian. Targeting Cheng Qian's misgivings for being listed as a war criminal, Zhang Shizhao told him about the attitude of the CPC Central Committee and Mao Zedong: Should Cheng Qian cooperate with the Communist Party and choose the way of peace, the policy, they would let bygones be bygones; furthermore, he would be accorded courteous reception. Under great pressure from Pai Tsung-hsi [4101 1504 4406] in June the same year, Cheng Qian sent Cheng Xingling [4452 2502 7881] to Hong Kong to invite Liu Fei [0491 2431] to Hunan. Mao Zedong and the Central Committee instructed Zhang Shizhao, who was then in Hong Kong, to visit Cheng Xingling. The theme of their talks was none other than Cheng Qian's insurrection.

Zhang Shizhao also asked Cheng Xingling to bring Cheng Qian a letter, in which he praised Mao Zedong as an outstanding leader in Chinese history, and also told Cheng what great hopes Mao Zedong had pinned on him for his insurrection, as well as the CPC Central Committee's attitude toward him, namely, let bygones be bygones. Zhang Shizhao's letter firmed up Cheng Qian's determination; at the same time, it helped ease Chen Mingren's misgivings.

#### Planning the Insurrection Together

In mid-June 1949, Cheng Qian wrote a "memorandum" on insurrection to the CPC Central Committee and Mao Zedong, in which he said: "...in accordance with the principle of Clause 24, Article 8 in your peace proposal, we are planning for partial peace in Hunan. We hope

that the two sides will designate their military representatives to form a military group to negotiate the details and work in close cooperation..."

The memorandum personally signed by Cheng Qian reached Mao toward late June 1949. Mao promptly cabled an instruction to the Fourth Field Army Headquarters, ordering them to deploy their troops along the Hunan-Hubei border. At the same time, he sent Li Minhao [2621 3046 3493], originally a senior commander of the KMT troops, then principal of the North China University of Military Affairs and Politics, along with Yuan Renyuan [5913 0088 6678], vice chairman of Jilin provincial government to Wuhan, to participate in promoting the insurrection of Cheng Qian and Chen Mingren.

It was not without good reason that Mao had assigned Li Minhao the job. Li was a native of Liling, Hunan, and a fellow countryman of Cheng Qian and Chen Mingren. Prior to the Northern Expedition (1926-1927), when Cheng Qian was entrusted by Dr. Sun Yat-sen to run a "Military Academy of the Ground Force," Li Mingchao was dean of the Academy, and had been closely connected with Cheng, while Chen Mingren was then enrolled as a cadet. Later, Chen was transferred to the Whampao Military Academy and became a soldier. From then on, Li Minghao and Chen Mingren were closely connected. Chen and his family showed great respect and trust in Li, and addressed him as teacher. Later events proved that Chen Mingren had great misgivings before the insurrection actually took place. It was none other than Li Minghao who made a secret trip to Changsha and freed Chen of his misgivings.

On 4 July 1949, Mao Zedong personally wrote a letter to Cheng Qian in answer to his memorandum. He said: "We cannot but admire your excellency for your determination to adopt the principle of opposing Chiang Kai-shek and the Guangxi faction as well as the peaceful liberation of Hunan. We believe in the feasibility of your proposal with regard to forming a joint organ, a military group, and preserving your troops through reorganization and education..." The letter was promptly and secretly delivered to Cheng Qian, who was very thrilled about receiving it, and read it over and over again. He remarked: "The Hunan issue will certainly be settled satisfactorily." The situation was then reported to Mao Zedong. The Central Military Commission and Mao Zedong sent cables to Lin Biao and others on 16 August, and gave explicit instructions on the insurrection of Cheng Qian and Chen Mingren.

On 3 August 1949, Cheng Qian's spokesman held a press conference in Changsha, at which he read out Cheng's open telegram to Chairman Mao Zedong and Commander in Chief Zhu De, as well as Li Chung-jen, Yen Hsi-shan, and Pai Tsung-hsi, appealing for peace. On the same day, Cheng Qian cabled Mao Zedong and Zhu De: "We are soon to announce our separation from the Guangzhou government..." On 4 August, Cheng Qian cabled Mao Zedong, Chu De, and Lin Biao, while



announcing "the founding of the Hunan People's Interim Military and Political Committee as of today"; "at the same time, the interim Military and Political Committee recommended Chen Mingren as the interim chairman of the Hunan provincial government...." On 5 August, a cable was sent to Cheng Qian jointly initialed by Mao Zedong and Zhu De as a reply to Cheng's cable. It said: "The things mentioned in your cable are all necessary; they should be implemented right away."

Concrete negotiations soon took place between the People's Liberation Army (PLA) troops entering Hunan and the insurrection troops in the wake of the insurrection of Cheng Qian, Chen Mingren, and their troops. In the course of negotiations and reorganization, Mao Zedong twice personally drafted cables in reply to Cheng Qian and Chen Mingren. On 13 August, when Mao Zedong personally drafted a cable to Chen Mingren, he stated: "We warmly welcome the insurrection of Hunan. Mr. Songyun [7313 0061] [author's note: Cheng Qian's alias] and Your Excellency have rendered tremendous meritorious services stemming from your wise leadership.... We hope that Your Excellency will continue your efforts to unite your troops. We should instruct the CPC personalities to cooperate with Mr. Songyun and Your Excellency in all sincerity, which will be favorable to pushing forward the revolutionary cause.... Please feel free to inform us of whatever you have in mind. [signed] Mao Zedong and Zhu De. [dated] 13 August 1949." Some time later, Mao Zedong personally gave some specific instructions on the reorganization of the insurrection troops, and the reorganization was smoothly completed. The designation of the troops in question was officially changed into the "Chinese People's Liberation Army 21st Corps."

#### **The Two Generals Were Accorded A Courteous Reception**

In the wake of their insurrection, Mao Zedong and the CPC Central Committee highly assessed, as well as showed great concern for Cheng Qian and Chen Mingren. On 5 August 1949, Mao Zedong personally drafted a telegram to praise General Cheng Qian and General Chen Mingren: "You have displayed the cardinal principles of righteousness by resolutely separating from the puppet government and participating in the people's cause of emancipation, and the whole nation is happy about it. Hereby we extend to you our congratulations." On 6 August, the Central Committee and Mao Zedong appointed Cheng Qian and Chen Mingren as Hunan Interim Military and Political Committee chairman and Hunan provincial government interim chairman respectively.

In late August, Mao Zedong cabled Cheng Qian and Chen Mingren to invite their participation in the first session of the Chinese People's Political Consultation Conference [CPPCC]. When General Cheng Qian arrived in Peiping, important personages, including Mao Zedong, Zhu De, and Zhou Enlai along with personalities of various circles, welcomed him at the railway station. Upon Chen Mingren's arrival, Peiping Mayor

Nie Rongzhen personally went to the railway station to receive him. On 19 September, Mao Zedong held a luncheon party in honor of Generals Cheng Qian and Chen Mingren. After the party, Cheng Qian was invited to tour the Temple of Heaven, as was Chen Mingren.

At the CPPCC session, Cheng Qian and Chen Mingren were elected members to the First National CPPCC. Later, at the first session of the Central People's Government Committee, Cheng Qian was elected member to the Central People's Government; later, he was appointed vice chairman of the People's Revolutionary Military Commission.

In early October, Mao Zedong summoned Chen Mingren once again, and satisfied Chen's wish to do his part for the nation in military affairs. Mao told him: "You may continue to command the troops!... Of course, there will be difficulties from now on; you must be mentally prepared for them."

Cheng Qian and Chen Mingren used to have some 120,000 troops under their command, and the number of insurrectionary troops was about 80,000. Mao Zedong had all along shown great concern for Cheng Qian, Chen Mingren, and the insurrectionary troops.

#### **Jiang, Yang Welcome Book's Publication**

OW3008132589 Beijing Domestic Service in Mandarin  
2130 GMT 29 Aug 89

[From the "News and Press Review" program]

[Text] XINHUA NEWS AGENCY reports: A ceremony was held in Beijing on 29 August to mark the publication of a large historical documentary picture book, "The Road." The book, jointly compiled by noted Chinese photographers (Xu Xiabin) and his wife (Hou Bo), is divided into four parts: Yanan, Taihang, Beiping, and New China. Using 188 photographs, the book retells Chinese history from 1937 to 1966.

General Secretary Jiang Zemin and President Yang Shangkun sent messages of congratulations on the occasion of its publication.

#### **Li Ruihuan Addresses Issues in Article, Book**

##### **Article on Ideological Work**

OW2808032789 Beijing XINHUA Domestic Service  
in Chinese 1224 GMT 26 Aug 89

[Local Broadcast News Service"]

[Text] Beijing, 26 Aug (XINHUA)—The forthcoming No. 9 issue of the periodical "SIXIANG GONGZUO YANJIU" [STUDY ON IDEOLOGICAL-POLITICAL WORK] publishes an article by Comrade Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee. The article is entitled: "The Pressing Task in Current Propaganda and Ideological Work."

The article is divided into four parts. The first calls for seizing the current favorable opportunity to push forward propaganda work. He said: Comrade Zhao Ziyang was actually taking a bourgeois liberalization approach to our party affairs in these years. As a result, our entire party work was seriously weakened. Our party's propaganda work was in a crisis, with many local contingents dissolved, positions lost, and minds thrown into chaos. In the wake of the turmoil and aborted counterrevolutionary rebellion, the propaganda and ideological front faces a complicated situation, arduous tasks, and serious difficulties. In conducting the party's propaganda work, it is necessary to understand our historical responsibility of upholding reform and the open policy, while guarding against infiltration and evolution and to understand this responsibility from the high point of which is going to triumph internationally—socialism or capitalism.

The second part of the article calls for taking several concrete steps to strengthen ideological-political work. He said: Currently, it is necessary to deepen education in upholding the four cardinal principles and the two basic points of reform and opening. Before we can improve ideological-political work, we must settle the question of whether this work is necessary. To change the weakening state of our ideological-political work, we must immediately do something concrete.

In the third part of his article, Li Ruihuan stressed the need to organize the study of Marxist theory. He pointed out: People who advocate bourgeois liberalization have concentrated on attacking Marxist theory and spread the "out-of-date theory" of Marxism. Their goal is to negate the guiding position of Marxism and shake our theoretical foundation. A major political task before the entire party now is to strengthen the study, propaganda, and research of Marxist theory, clarify theoretical confusion, and unite and raise people's ideological awareness.

In the fourth part, Li Ruihuan wrote: It is necessary to strengthen ideological and organizational construction of our propaganda contingent. The foremost current task is to exert efforts to rectify the ideology and organization of our propaganda contingent. At the same time, we must strengthen and reorganize the leading bodies of a number of departments and units in the ideological sphere. Propaganda departments at all levels must try to discover qualified personnel in the practice of struggle to increase their ranks. We should promote to the leading posts comrades who uphold the "two basic points," maintain a high degree of unity with the central authorities, and are competent in leadership positions.

#### **Book on Urban Development**

OW2708040189 Beijing Domestic Service in Mandarin  
2130 GMT 26 Aug 89

[From the "News and Press Review" program]

[Text] A book by Li Ruihuan, entitled "Random Talk on Urban Construction," was published recently. A ceremony to release the book for distribution was held in

Tianjin on 26 August. The book deals with a series of questions on urban science and construction, such as the research, planning, and designing of cities, the remodeling of old cities, and the construction of new cities.

#### **Videotape To Recount Beijing Turmoil**

OW2708125889 Beijing XINHUA in English  
1159 GMT 27 Aug 89

[Text] Beijing, August 27 (XINHUA)—A video tape on the whole process of the April-June social unrest in Beijing will be issued at home and abroad soon.

Dubbed in Mandarin Chinese, Guangdong dialect, and eight foreign languages including English, Japanese, French, German, Spanish, Arabic, Vietnamese and Russian, the tape shows the audience how the martial law enforcement troops marched to and cleared the Tiananmen Square.

The spot-shot tape shows that in the early morning of June 4, students and other people withdrew the Tiananmen Square [as received] peacefully and the saying of "bloody suppression in the Tiananmen Square" was purely fabricated.

Besides, in the 55-minute tape, the testimony of eyewitnesses Liu Xiaopo and Wu Bing also proves the rumour groundless.

The tape has been jointly produced by three Beijing-based audio-visual publishing companies.

#### **Lecture on Rural Ideological-Political Work**

##### **Part One**

OW3008054189 Beijing XINHUA Domestic Service  
in Chinese 1204 GMT 28 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 28 Aug (XINHUA)—Lecture on Rural Ideological and Political Work (1): Correctly Appraise Current Rural Ideological and Political Work

The party's rural ideological and political work has been continually advancing and developing in the course of reform and opening. Its development has created a fine ideological and public opinion environment for the development of social productive forces. Guided by the party's line, principles, and policies, the vast number of cadres, party members, and people in the rural areas are making arduous efforts with one heart and one mind to improve the economic environment, rectify economic order, deepen reform, and achieve a bumper harvest.

The recent counterrevolutionary rebellion in Beijing and turmoil in a number of large cities also affected several areas in the countryside. However, we must not have doubts about the entire rural situation on account of this. We must keep sober-minded in approaching the entire rural situation.

Recently, the Propaganda Bureau of the CPC Central Committee's Propaganda Department held a meeting in Jiuquan City, Gansu Province, to hear reports on the survey of rural ideological and political work in a number of provinces and autonomous regions. At the meeting, it was pointed out: We must realize that reform in the 10 years following the 3d Plenary Session of the 11th CPC Central Committee has not only effectively pushed forward the development of the rural economy and productive forces, but also brought about the emancipation of the minds of the vast numbers of peasants, party members, and cadres. The ranks of new-type peasants with idealism, moral integrity, general education, and a sense of discipline are continually expanding, and a group of outstanding Communist Party members, model cadres with party membership, and outstanding entrepreneurs and local farming experts have emerged. All this is closely linked with the party's ideological and political work. The party's grass-roots organizations have fighting power, and their role can be felt in critical moments. This is particularly true with comrades devoted to grassroots ideological and political work in the countryside over a long period. Displaying a strong party spirit and initiative, these comrades have done a tremendous amount in a down-to-earth manner, with fruitful results. Their role should be affirmed.

While affirming our achievement, we should also realize our inadequacy. The weakening of the party's rural ideological and political work in these years has caused many problems. The mentality of "putting money above everything else" was serious. A number of people were anscrupulous to "become rich," and used their power to get money. This has damaged the party's prestige. Complaints about unfair distribution and the widening gap in incomes were frequently heard. The sense of collectivism has weakened, and contradictions between the interests of the individual, the collective, and the state have increased. Unhealthy practices spread as the means of production became scarce. Social order is in disarray, feudal superstition has reappeared, and mercenary marriages and extravagant weddings have persisted, despite repeated warnings. These phenomena have seriously affected the masses' sentiments. To a certain extent, the ideological problems among the masses hampered the implementation of the party's line, principles, and policies in the countryside.

The weakening of rural ideological and political work has both objective and subjective causes. The primary reason is our failure to carry out, or to persistently carry out, the party's ideological and political tasks in practical work. A number of party organizations paid attention solely to economic matters and ignored and relaxed the party's ideological and political work and ideological building, creating a situation in which economic matters were overstressed, while ideological and political work was neglected. The ideological and political work structure has thus become incompatible with the economic structure in the transition from the old to the new. Lack of comprehensive reform measures, shortages in the

means of agricultural production, chaos in operation channels, and indiscriminate price increases also increased the degree of difficulty in carrying out ideological and political work. At the same time, the dishonest practice of certain cadres in rural party and government organizations aroused discontent among the masses. In the peasants' minds, their practice is in sharp contrast with the positive education they received.

Correctly appraising current ideological and political work is very important to strengthening this work in the new historical period. The party's ideological and political work is the lifeline of its work in the economic and other fields. It has been demonstrated in practice that the party's ideological and political work has an important place and role in the entire socialist modernization drive, and on no account should it be allowed to be slandered and weakened, under whatever pretext.

### Part Two

OW3008064289 Beijing XINHUA Domestic Service  
in Chinese 1210 GMT 29 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 29 Aug (XINHUA)— Lecture on Rural Ideological and Political Work (2): The Drive for Four Modernizations Is Inseparable From Ideological and Political Work

The drive for the four socialist modernizations must never be carried out without the party's powerful and effective ideological and political work. This is determined by the nature of our party as the ruling party and the national conditions of China. It is said that, if something goes wrong in economic work, the national boat will capsize. We should realize that if ideological and political work is not done well, the boat is even more likely to capsize. We must recognize the position and role of ideological and political work from a strategic point of view in striving to do a good job.

The four modernizations drive we are promoting today is aimed at building socialist modernization with Chinese characteristics under the leadership of the Communist Party. Without the leadership of the Communist Party, without adhering to the socialist orientation, it would be very difficult to successfully realize the four modernizations. We should strengthen political and ideological work to raise the political and ideological level and the moral and cultural quality of the people of the whole country, so that they clearly see the direction of advancement, and guarantee a smooth, development in economic construction. If efforts in ideological and political work were to be relaxed, bourgeois liberalization ideas would take advantage of such a situation to infiltrate our ranks. This has been borne out in practice. If that were the case, we would lose all the fruits obtained through hard struggle in the past years, and it would be impossible for us to realize the goal we have set for ourselves. The party's rural ideological and political work is a vital and irreplaceable part of the party's work



in the rural areas. It guarantees victory in the drive for socialist modernization in rural areas. Good ideological and political work in the rural areas is of the utmost importance in emancipating socialist productive forces, consolidating the position of agriculture as the foundation of the economy, and developing the reform and construction throughout the country. Therefore, we must never for a minute relax or neglect ideological and political work in the rural areas. It is closely linked to the drive for the four modernizations.

The party's rural ideological and political work serves no other purpose than the party's basic line, central task, and the drive to build socialism with Chinese characteristics. To constantly push forward the rural drive for socialist modernization, it is necessary to fully mobilize all positive factors. Under the new situation, the task for the party's rural ideological and political work is to use the party's basic line to arm and educate the peasants and all party members and cadres in order to comprehensively raise their quality and gradually bring them up to become socialist peasants of the new type, "with ideals, morality, and education and observing discipline." The emphasis should be placed on ideological and political education among the rural grass-roots cadres, party members, and young peasants. In carrying out ideological and political work, a clear-cut party spirit must be manifested. We must adhere to the principle of combining ideological and political propaganda and education work with economic work. Education among the peasants should be based on providing ideological guidance. They should be encouraged to carry out self-education, self-management, and self-service. Efforts should be made to give full scope to the role of the typical examples and promote propaganda and education activities in diversified ways to let the peasants receive education while enjoying themselves.

Currently, the party's rural ideological and political work should be focused on studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Deng Xiaoping's important speeches, and an extensive and in-depth education in the party's basic line with the "one center and two basic points" as the main contents; on education in the party's various principles and policies for the rural areas at the present stage; and on holding high the banner of patriotism to particularly conduct education in the national conditions, and in patriotism, socialism, independence, self-reliance, and hard struggle. We should carry out education in socialist democracy and the legal system, focusing on the Constitution, and an education in modern science, culture, and the need to transform social traditions. We should also step up education in the policies on nationalities and in the unity of all nationalities. It is expected that, through education, the peasants will become more aware of the reason why it is necessary to persist in the socialist road and why it is necessary to uphold the leadership of the Communist Party. The peasants will be given active guidance to sum up experience, seek self-improvement through self-education,

firmly believe in the party's leadership, and resolutely take the socialist road. They will be inspired to display initiative and creativity in building a new, modern socialist countryside, and to make new contributions to improving the economic environment, rectifying economic order, and deepening reform in the rural areas, as well as in achieving an agricultural harvest.

#### Meeting Approves Arrangements for National Census

OW3008204989 Beijing XINHUA in English  
1428 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—Methods for holding the fourth national census were approved at a meeting of the National Census Committee Tuesday afternoon.

State Councillor Li Tieying presided over the second meeting of the committee, which falls under the State Council.

The meeting was told that preparations for the national census have been under way throughout China and committees or offices have been set up in all provinces, autonomous regions and municipalities.

Pilot censuses in all provinces and regions will start in September and October this year, according to the meeting.

The census adopts the principle of registration of the residential population, that is, a person should be registered in his place of residence.

The coming census will cover 21 items, two items more than in the third national census in 1982. The new items will reflect population movement during the current reform.

#### Office To Provide First Aid to Foreigners

OW2808062389 Beijing XINHUA in English  
0533 GMT 28 Aug 89

[Text] Beijing, August 28 (XINHUA)—An administrative office providing first aid and medical consulting service to foreigners working or travelling in China will be open in Beijing in October this year. "CHINA DAILY" reported today.

The office is set up by the Asia Emergency Assistance (AEA) in cooperation with the Beijing Red Cross Society. The Singapore-based AEA will send a medical expert with advanced mobile first aid equipment from its headquarters to work with Chinese health workers.

Besides emergency care, the office will also provide consulting services. Whenever a foreigner needs medical assistance, he calls the office for a referral to the best hospital nearby.

"Many foreigners do not know much about China's medical services, so most think they have to return home for medical treatment though reluctant to cut short their

travel in China," said Doris S. Y. Ho, the administrative manager of AEA Beijing branch.

China has seen increasing numbers of foreign travellers and businessmen during recent years making this emergency network indispensable, she said.

Now the office has established frequent contacts with major hospitals in Beijing such as the Union College Hospital and the Sino-Japanese Friendship Hospital and the Beijing Emergency Center as well.

Once they receive an emergency call from a patient, the Beijing Emergency Center can send the person by ambulance to the nearest hospital.

AEA has also signed agreements with China United Airline and China Ocean Helicopter Corporation to transport these patients to their native countries if necessary.

An agreement between the organization and the Beijing Red Cross Society makes the society responsible for helping AEA build up a national emergency network by pin-pointing highly specialized hospitals around the country. Thus AEA can easily move patients to the nearest suitable hospital when emergencies occur.

The AEA will also help train medical workers in first aid by sponsoring medical, scientific and technical exchanges and inviting professionals from other countries to lecture on first aid medicine.

About 30,000 U.S. dollars have been donated by AEA to the Beijing Red Cross Society to further promote the city's medical work this year. And the organization will continue such donations to China in the coming years, according to Doris S. Y. Ho.

Besides, annual conferences will be arranged to enable the partners to discuss each year's working plans.

The Asia Emergency Assistance, formed in 1984 by a Frenchman, Dr. Pascal Reyherme in Singapore, has now established administrative branches and alarm centers in most of the major Asian countries as well as some in Europe and the United States.

### **Authorities Toughen Protection of Cultural Relics**

*HK3008022689 Beijing CHINA DAILY  
in English 30 Aug 89 p 3*

[By staff reporter Zhang Lin]

[Text] Facing an increasing number of cases of theft and smuggling of cultural relics, protection authorities throughout China are taking major steps to restructure the management of the domestic relic market.

Meanwhile, a campaign against these crimes has effectively halted tomb robbers and smugglers in most provinces, said an official with the Ministry of Culture.

An appeal has been made to all sections of society to help to save historical treasures.

Measures taken to strengthen the protection of the country's relics include: strengthening security for the country's museums, cracking down on illegal relic profiteering by some government departments and companies, and bringing order to the relic market.

The root cause of the problem is that many sectors of society are engaged in buying and selling relics, the official said.

Thus the focus of regulating the market is on solving this problem according to relevant State laws.

Except for State-run stores selling relics, no other departments or individuals should be engaged in the business.

In Chengdu, capital of the Southwest Sichuan Province, over 20 such stores have been banned.

The major case dealt with by the provincial government involved a branch of the Beijing Jewellery Corporation which illegally purchased relics.

Talking of market management, the official called for the establishment of market inspection departments which would regularly inspect and supervise any activities involving relics.

In Jiangxi Province, the resurgence of robbing tombs this year has led to some 10,000 ancient tombs being raided and many precious cultural relics have been stolen or destroyed, statistics released by the Ministry of Culture showed.

The relic law, which came into effect in November 1982, specifies that relics under protection should have seals and that a record should be kept of where they were found along with other relevant information.

However, most museums, even the Palace Museum in Beijing, have failed to meet this requirement.

This indifference to the law has exacerbated the problem of theft and smuggling.

According to the bureau, there is a major theft of relics every four days in China.

### **Military**

#### **Yang Baibing Visits Qiqihar Air Force Unit**

*SK2508235589 Harbin Heilongjiang Provincial  
Service in Mandarin 0900 GMT 23 Aug 89*

[Text] On the morning of 23 August, accompanied by Comrade Liu Jingsong, commander of the Shenyang Military Region, Yang Baibing, director of the General Political Department of the Chinese People's Liberation Army, inspected a certain Air Force unit stationed in Qiqihar.

Director Yang Baibing heard a report on the work of the unit, visited its site, and made an important speech.

He called on the Air Force unit to strengthen ideological and political work, and train officers and men with revolutionary outlook on life and [words indistinct]. On behalf of the Central Military Commission and the General Political Department, he presented books entitled "Defend Socialist Motherland" and "Quell the Counterrevolutionary Rebellion in Beijing" to the Air Force unit.

### PLA Naval Cadres Stress Theoretical Studies

HK3008015189 Beijing JIEFANGJUN BAO  
in Chinese 16 Aug 89 p 1

[Report by Si Yanwen (0674 1750 2429): "Senior and Intermediate Naval Cadres Sum Up Experiences and Lessons in Light of Reality and Enhance Their Initiative in Studying Marxism-Leninism"]

[Text] Given a complicated struggle how can a leading cadre avoid getting lost and changing course and maintain his political integrity? The 120 or so intermediate and senior naval cadres participating in the Navy's study classes, after studying the collection of material on "Comrade Deng Xiaoping Discussing the Problem of Upholding the Four Cardinal Principles and Opposing Bourgeois Liberalization," three important speeches delivered by Comrade Deng Xiaoping in May and June of this year, and the relevant writings by Marx, Lenin, and Mao Zedong, and after giving serious and rational thought to the recent turmoil, have arrived at an important conclusion: If one is well versed in the basic theories one will not waver even in the face of wind and waves.

They said that it was the first time they had ever experienced such a grim and complicated struggle as the development of the student movement and the turmoil in Beijing into a counterrevolutionary rebellion. There have been two voices on the party Central Committee. With a party general secretary in support of the turmoil and trying to divide the party it was indeed difficult for people to remain sober-headed and politically firm. Most of the people remained cool-headed and maintained their firm attitude mainly because they have always paid close attention to acquiring basic theoretical knowledge. Director Zhang Shouhua of the Navy Engineering Institute's Political Department said: During the student movement the institute's party committee and the leading comrades of divisional-level party committees under it firmly kept their faith in the party Central Committee and adopted a clear-cut stand in opposing the turmoil. No one at the institute "acted in support [gong zhen 0364 2182]" of the student movement in Beijing and few responded [gong ming 0364 7686] to it. Normal order was maintained at the institute. By reviewing this struggle we have acquired a profound understanding: Whether or not a unit can stand firm and stand up to harsh tests in the face of intense and complicated political turmoil depends on its committee being a good one; and whether it is a good party committee depends on its political theoretical studies. To be able to take our bearings, draw a distinction

between right and wrong and stand firm, we have to rely on the basic tenets of Marxism-Leninism-Mao Zedong Thought.

Speaking on the need to stress studies and understand the Marxist stand, viewpoint, and approach, some comrades said: One-sided understanding comes from superficial theoretical knowledge. During the past few years the great vitality of capitalism was frequently on people's lips but its corrosive effects, irreconcilable contradictions, and defects were rarely discussed. The problem of learning from the West's advanced technology and experience was quite a hot topic for discussion, whereas the danger of "peaceful evolution" was seldom mentioned. People spent much time discussing the defects of socialism but its superiority and the reform and construction achievements were infrequently mentioned. The problem of corruption within the party and in society was much discussed whereas few would talk about the communists' persistent struggle and heroic deeds. A fundamental reason is that they did not examine practical problems with the Marxist telescope and microscope. If we have departed from the Marxist stand, viewpoint, and approach, we will inevitably become ideologically confused and waver in the political field. The important lessons learned have intensified the comrade's thirst for Marxist theory. Comrades said: Marxism is not "outmoded." It must be continuously developed in the course of the struggle. Comrade Deng Xiaoping has repeatedly told intermediate and senior cadres to lay a solid foundation in studying the tenets of Marxism and to learn to use the Marxist stand, viewpoint, and approach in exploring and solving new political, economic, social, and cultural problems. So long as we have learned to do this better we can benefit ourselves infinitely in the course of the struggle.

While studying, the cadres pointed out anew the need for intermediate and senior cadres to take the lead in applying Marxism in transforming world views. Naval Air Force Deputy Political Commissar Lian Yaoting [6647 5069 1694]: During the past few years the problem of transforming world views was rarely discussed. However, it is indeed a serious problem confronting intermediate and senior cadres. Comrades said: In the face of mammonism, hedonism, and other degenerate bourgeois ideas and lifestyles, the practice of seeking personal gain by abusing power and corruption in society, intermediate and senior cadres should be able to stand up to the double test of running the government [zhi zheng 1013 2398] and the reforms and opening the country to the world, acquire for themselves strong spiritual props, maintain their revolutionary integrity, and keep studying and transforming things until they are too old to do so. This means practicing Marxism in addition to advocating it and playing an exemplary role in rectifying the party style and is urgently called for by clean government construction.

By running these classes the Navy has made a good start for its intermediate and senior cadres in strengthening theoretical studies. Navy CPC Committee Secretary and



Political Commissar Li Yaowen [2621 5069 2429] and Navy Deputy CPC Committee Secretary and Commander Zhang Lianzhong [1728 6647 1813] studied with others throughout the course. The Navy CPC Committee, having made the relevant preparations, demands that Navy cadres at Army level or above systematically study the Marxist classics and will train all of them in turn before the end of the year. As for cadres at divisional and regimental levels, training will be combined with on-the-job independent studies and they will have to properly study the key chapters of the classics.

### Units, Individuals Commended for Service

HK3008055789 Beijing RENMIN RIBAO  
in Chinese 22 Aug 89 P 2

[XINHUA report by reporter Guo Diancheng (6753 3013 2052) and correspondent Guo Chunsheng (6753 2504 3932): "PLA General Logistics Department Holds Meeting To Commend Units, Individuals for Their Meritorious Service in Quelling Rebellion"]

[Text] Beijing 21, Aug (XINHUA)—The General Logistics Department of the People's Liberation Army held a grand victory meeting to commend those advanced collectives and individuals in the General Logistics Department and in units directly under the General Logistics Department that had rendered meritorious service in stopping turmoil and in squashing the rebellion.

The victory meeting was held in the auditorium of the General Logistics Department. When the representatives of the 15 units and 133 persons that had rendered meritorious service entered the auditorium, there was a prolonged applause and children sent their greetings by waving bouquets of flowers.

Zhao Nanqi, Liu Anyuan, Liu Mingpu, Zhang Bin, Lin Lun, and other leading comrades of the General Logistics Department attended the meeting. Major General Zong Shunliu, deputy director of the General Logistics department, read out a General Logistics notice, which reads: In the struggle to stop the turmoil and quell the counterrevolutionary rebellion, all units under the General Logistics Department and all officers and men took a firm and clear-cut stand, firmly supporting the series of correct policies of the party Central Committee and obeying the unified command of the Central Military Commission. They maintained the high stability of troops and demonstrated keen political awareness, strict organization, and a high sense of discipline. In particular, the organs of the Central Logistics Department and the units stationed in the capital have been directly involved in the work of receiving the martial law enforcement troops and in logistics support. All comrades have stood fast at their posts, worked heroically and fearlessly, carried on a tenacious struggle, satisfactorily completed their tasks, and attained remarkable results. They have stood grim political tests and made positive contributions to stopping turmoil and quelling the rebellion.

At the meeting, the General Logistics Department leaders presented certificates and prizes to the units and individuals that had performed meritorious service. Five persons briefed all the participants on the exemplary deeds of some collectives and individuals.

### Circular Favors Commending PLA Retirees

OW2608135989 Beijing XINHUA Domestic Service  
in Chinese 1201 GMT 18 Aug 89

[Text] Beijing, 19 Aug (XINHUA)—The Ministry of Civil Affairs and the General Political Department of the People's Liberation Army [PLA] recently issued a circular calling for nationwide activities to select and commend advanced retired PLA cadres, advanced workers serving the retirees, and advanced sanatoriums for retired PLA cadres.

The circular points out: The activities should be conducted under the guidance of the spirit of the 4th Plenary Session of the 13th CPC Central Committee and relevant central instructions on doing a good job in the service of veteran cadres. It is necessary to extend propaganda and education and to launch widespread activities to learn from the advanced. It is necessary to help retired PLA cadres more successfully maintain their revolutionary integrity and make new contributions to the four modernizations. It is necessary to help the vast numbers of personnel serving the retired cadres do an even better job. It is necessary to promote an all-around development of the sanatoriums and raise the service and management to a new level. It is necessary to do all this to contribute to strengthening unity between the Army and the government and people, to maintaining a stable social environment, and to the smooth progress of economic construction.

## Economic and Agricultural

### Foreign Taxation Policy Remains Unchanged

OW3008210689 Beijing XINHUA in English  
0807 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—China's foreign taxation policy remains unchanged along with the policy of opening to the outside world, a high-ranking official said here today.

Jin Xin, director of the State Administration of Taxation, said at a meeting here that:

- The taxation policy's guiding principle to serve the opening to the outside world remains unchanged;
- The preferential treatment on absorbing foreign funds and importing technology remains unchanged;
- The light taxation and simple formalities remain unchanged;
- The demands and measures for improving investment environment remain unchanged.

Jin urged all taxation departments and collectors to do a good job on foreign taxation.

### **Sino-American Venture Delivers Passenger Plane**

*OW3108043989 Beijing XINHUA in English  
0112 GMT 31 Aug 89*

[Text] Shanghai, August 31 (XINHUA)—The ninth MD-82 passenger plane, the product of a Sino-American joint venture, was delivered to the Shenyang Civil Aviation Administration today.

Before delivery, the plane was given an "export certificate of airworthiness" by the American Federal Aviation Administration (FAA).

Six of the plane's major components were made by the Shanghai Aircraft Manufacturing Plant.

During the first eight months of this year, the Shanghai Aircraft Manufacturing Plant exported 287 sets of components, which include the main landing gear door, nose gear door and cargo door, to the United States for installation on McDonnell Douglas' MD-82 passenger planes.

Since April 1986, the Shanghai Aviation Industrial Corporation and McDonnell Douglas have jointly produced eight MD-82 passenger planes. Half of them have been sold to the Shenyang Aviation Administration for service on domestic and international routes with good economic results.

In the latter half of this year, the Sino-American joint venture will produce four more MD-82 planes.

### **Foreign Technology Purchases Pay Dividends**

*HK2908004089 Beijing CHINA DAILY in English  
29 Aug 89 p 1*

[By staff reporter Qin Xiaoli]

[Text] China's 20-billion yuan (\$5.4 billion) investment in purchases of foreign technology over the last 10 years is paying off. Production increases have enabled China to recover a large part of that investment in hard currency, CHINA DAILY was told yesterday.

"The 10-year effort has transformed China's industries—thanks to policies of reform and openness to the outside world," stated an official of the State Planning Commission.

China invested the 20 billion yuan in 4,000 major central government projects and some 20,000 minor local projects, during the decade, he said.

More than half the central government projects and a large number of the local projects have gone into production and have earned 87.3 percent of the State's investment in hard currencies. In two years, when most of the projects will be operating, Chinese exports will be strengthened, says Xie Yangan, vice-director of the

Bureau of Foreign Economic Relations and Trade under the State Planning Commission.

"Anything you count on, from satellites to daily necessities like clothing, and any where you care to look, from farm land to people's homes, you will find some trace of foreign technology," he said.

This technology and equipment imported during the last 10 years will increase steel production annually by 15 million tons, copper by 90,000 tons, aluminum by 1.5 million tons, ethylene by 900,000 tons, synthetic fibre by 1.1 million tons and cement by 4.8 million tons.

"Our priorities in technology imports are for the energy industry based on electricity, raw materials based on iron and steel, non-ferrous metals, and chemicals, and transportation and communication," Xie said.

The importing of power plant technology has enlarged China's power plant capacity from the previous maximum of 200,000 kilowatts to the present 600,000 kilowatts.

Four-hundred factories in the machine building industry bought foreign technology to upgrade old workshops. One third of the Industrial boilers, furnaces, compressors, generators and pumps were replaced by either imported ones or those made with foreign technology.

### **Workshops**

Statistics show that 45 percent of the increase in China's exports of light industrial goods, textiles and machinery was achieved by upgrading old workshops with imported technology and equipment.

Textiles, China's number one foreign exchange earner, benefitted greatly from imported technology, Xie said. The China Silk Corporation, for instance, spent \$3.26 million to import five silk printing assemblies. That will enable the corporation to increase exports by 10 million metres a year, earning an additional \$50 million.

The economic efficiency of importing technology has been good to date, Xie said. Generally speaking, every one yuan invested in imported technology produces two yuan a year in production value and 0.4 yuan in profits.

"The 20,000 local projects will be able to display their value in one or two years when they are in operation. That will be a big push to the nation's industry," he said.

### **Fixed Asset Investment Drops in Jan-Jul Period**

*OW2908010289 Beijing Domestic Service in Mandarin  
0930 GMT 26 Aug 89*

[By station reporter (Wang Lianxi); from the "National Hookup" program]

[Text] China's investment in fixed assets continued to decline in the first 7 months of this year. The credit situation is now better than that of last year, and the increase in workers' wages has also slowed down.

The six major economic indicators jointly published by the State Statistics Bureau, the State Economic Commission, the Ministry of Finance, and the People's Bank of China show that the amount of money actually invested in fixed assets by units owned by all the people declined by 7.9 percent in comparison with the same period last year, while the amount actually invested in local projects declined by 9.7 percent. Of the 30 provinces, autonomous regions, and municipalities, 24 reported a reduction in the amount of investments made in the first 7 months of the year.

As of the end of July, the nation's balance of bank loans totaled 1,083.8 billion yuan, 46.7 billion yuan less than the corresponding period last year. This shows that the austerity policy has produced results. The total amount of wages paid the nation's workers in the first 7 months of the year increased 20.6 percent over the same period last year. A breakdown of the increase on a month-to-month basis, however, shows that the increase was on a downward trend. The increase in consumption funds has also been controlled somewhat.

Three problems exist at the present time: Industry's economic efficiency has still not improved, the costs of comparable products continue to increase, and the profits earned and taxes paid for sales continue to decrease.

#### **RENMIN RIBAO Cited on Economic Progress**

*OW2608142189 Beijing XINHUA in English  
1333 GMT 26 Aug 89*

[Text] Beijing, August 26 (XINHUA)—The "PEOPLE'S DAILY" carried a report today citing the great achievements in economic construction since the founding of New China in 1949.

The report noted that, according to the State Statistics Bureau, from 1950 to 1988, the units owned by the whole people accumulated a total investment of 2,153.8 billion yuan in fixed assets; while as many as 4,393 big and medium-sized projects have been put into production.

Those achievements have provided a solid material and technical basis for the development of the social productive forces and the readjustment of the overall arrangement of production, the report stressed. In respect of industrial construction, the productive capabilities of the coal, electricity, iron and steel, textile and other industries have increased by several to tens of times from 1949 to 1988. And some new industries, such as the automobile, tractor, airplane, electricity, petrochemical space and nuclear power industries, have been established in the same period.

To date, China has built an independent and comprehensive industrial system; the overall industrial structure has also been improved, with a batch of new industrial bases set up in the vast inland areas inhabited by the minority nationalities.

In respect of agriculture and water resources, more than 80,000 reservoirs and a total length of about 170,000 km of dykes have been built; the irrigated area of farmland has been increased to 44 million ha.

The country's railway lines have increased from 21,800 km to 50,000 km in length, and all the main lines use diesel and electric locomotives.

All the provinces and autonomous regions, except for the Tibet Autonomous Region, are connected by rail, while all the counties except one have highway connections. There are 350 internal and international airlines; and the equipment and handling capacity of coastal ports has seen a distinct improvement.

Great achievements have also been accomplished in the development of posts and telecommunications. The number of cables for long-distance calls and telegrams has doubled, while program-controlled telephones and optical fiber communications have been installed in some cities.

#### **SEZ Official Reaffirms Reform Policies**

*OW2708180689 Beijing XINHUA in English  
1501 GMT 27 Aug 89*

[Text] Beijing, August 27 (XINHUA)—China will not close its door to foreign investors because the country's economic reform and open policy over the past decade has made the country prosperous and its people well-off, an official from the Special Economic Zones Office under the State Council said today.

Economy in coastal China developed rapidly over the past 10 years, the official said.

China has formed a multi-level opening system including five special economic zones, 12 economic and technological development zones, 14 cities and 283 counties in China's coastal areas, which have become important centers for foreign trade, overseas investment and international economic and technological cooperation.

More than 7,000 enterprises which were built on the form of joint venture or with exclusive foreign investment have been set up in these regions.

The industrial output value of Shenzhen, Zhuhai, Shantou and Xiamen Special Economic Zones surpassed 15 billion yuan last year, the official said.

Since China opened its door to the rest of the world in 1979, it has borrowed 30 billion U.S. dollars of foreign loans which have been used in construction of communication facilities, power stations, agricultural projects and school buildings.

Outlining future development of the coast, the official urged enterprises in the open areas to digest imported technology and try to produce import substitutes.

Government in these regions should improve the investment environment, including both infrastructures and work efficiency.

Enterprises in the coast are also required to conduct economic and technological cooperation with that in the hinterland, especially in the backward areas in central and western China.

#### Four-Month Price Survey To Begin in September

OW2908231789 Beijing XINHUA in English  
1449 GMT 29 Aug 89

[Text] Beijing, August 29 (XINHUA)—China will carry out a four-month general check on prices of goods starting from September, according to a national meeting on prices held recently in the north China port city of Dalian.

Besides checking on prices of daily necessities, the general check will also focus on prices of basic energy and raw materials such as coal, petroleum, cotton, chemical products, edible oil, grain and timber.

Cases of price violations will be handled according to law, according to the meeting.

#### Efforts Made To Improve Urban Infrastructure

OW2708223789 Beijing XINHUA in English  
0613 GMT 27 Aug 89

[Text] Beijing, August 27 (XINHUA)—China spends at least 20 billion yuan (5.4 billion U.S. dollars) a year on improving urban infrastructures.

More than two-thirds of this money and most of the efforts of the Ministry of Construction are focused on increasing water and gas supplies, easing urban traffic and adding sanitation facilities, according to Zhou Gan-chi, vice minister of construction.

"A modern city is determined by the modernization of its infrastructural facilities, and development of such facilities should come ahead of economic development," said Zhou.

However, China's past policies of limiting urban expansion and emphasizing industrial projects at the cost of basic facilities resulted in a poor infrastructure.

Chinese cities have a shortage of 10 million tons of water a day in spite of the fact that new water treatment plants with a daily production capacity of three million tons are put into operation every year.

Only 40 percent of China's urban population is eligible for gas for cooking. Traffic in large cities has long been a headache.

Zhou said that more than a dozen Chinese cities are building large water supply projects.

The completion of these projects will ease the water shortages in Beijing, Shenyang, Chengdu, Chongqing, Hefei, Xian, Kunming, Qingdao, Shanghai and Guangzhou.

A 900-million-yuan project will bring 300,000 tons of water a day from the Yellow River to Qingdao. Construction began in 1986 and will be completed next year.

Shanghai, China's largest city, will invest one billion yuan to tap water from the upper reaches of the Huangpu River. Completion of this project will bring 4.3 million tons of clean water a day to Shanghai residents.

About 400 million yuan is invested every year in building coal gas plants. Large plants are being constructed in Tianjin, Nanjing, Qingdao, Harbin, Lanzhou, Fuzhou, Guizhou, Ningbo, Wuhan, Yantai and Guangzhou.

#### Economist Pessimistic on Anti-Inflation Plan

HK3008021389 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Aug 89 pp 1, 10

[By Seth Faison in Beijing]

[Text] One of China's leading economists, Mr Liu Guoguang, has admitted that government plans to bring the inflation rate below 20 percent by year's end will probably fail.

In an interview, Mr Liu said inflation was still the biggest challenge facing China's economy, and he predicted that it would average out at around 20 percent by the end of December.

That will be up from 1988's rate of 18-1/2 percent, but down from the 25-1/2 percent peak in the first half of 1989.

Rising prices were one of the main causes of social unrest this spring, and Chinese leaders are believed to be eager to bring them under control.

But apart from several "serious difficulties" faced by China's economic planners, Mr Liu appeared optimistic about prospects for the rest of the year.

Efforts launched a year ago to slow down the economy had shown some positive results, he said, insisting that overall economic reform would proceed despite the recent political turmoil in Beijing.

Retail price hikes have slowed considerably, and the industrial growth rate was down to 10.6 percent this July, compared with 17 percent last year, he pointed out.

"We don't see bank runs or panic buying the way we did last summer," said Mr Liu, who is also vice-president of China's Academy of Social Sciences.

"The prices of non-staple foodstuffs are now essentially stable. This is the most important thing in people's minds," he added.



Mr Liu blamed China's high inflation in part on ousted Communist Party leader Zhao Ziyang, who supported fast expansion and high growth rates to galvanise China's antiquated industry.

"Zhao Ziyang wanted to use inflation to develop China's economy. That was a big mistake," he said.

More than a year ago, Mr Liu was one of those who warned that uncontrolled inflation and a loose money supply would have a disastrous effect on China.

But he said that calls to re-establish central control over the economy—intensified since the June crackdown on anti-government activity—would not mark a turning back against overall economic reform.

"Reform means many things; it does not mean complete liberalisation, or completely free markets," he said. "But we must go forward".

Mr Liu also conceded that controls on capital expenditure had fallen short of expectations: planned cuts of 20 percent had yielded actual drops of only five to six percent.

He said he recognised other serious and persistent problems in the economy such as low worker productivity, shortages of raw materials, and a high budget deficit.

Mr Liu said the deficit, officially pegged at eight billion yuan (HK\$16.8 billion) but believed by Western economists to actually total many times that amount, would increase this year, but he declined to predict by how much.

Mr Liu outlined the Government's three primary goals as follows:

- To bring inflation down below 10 percent.
- To better control corruption.
- To reform the tax system and increase central revenue.

Mr Liu said that plans to reform China's antiquated pricing system would not be fully possible until inflation was brought down to a more reasonable rate.

But he said some move at price reform would continue this year, in areas such as salt and train ticket prices.

A diplomat pointed out, however, that reforms such as raising train ticket prices would simply shift the economic burden on to the Ministry of Finance, since a large percentage of train tickets are paid for by the central Government.

### Official Reports Tax Revenue Statistics

*OW3008143989 Beijing XINHUA in English  
1331 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—China's tax revenue is expected to jump by 15 percent to reach 264 billion yuan this year, a high-ranking official said here today.

Jin Xin, director of the State Administration of Taxation, said at a meeting that his office collected 118.1 billion yuan in industrial and commercial taxes between January and August—up 15 percent compared with the same 1988 period.

He said that taxes, the main state revenue, are a vital factor in balancing the state budget.

But, he said, some industrial enterprises are in arrears—to the tune of a total 9.8 billion yuan.

### Customs To Adjust Appliance Tariffs

*OW2808193189 Beijing XINHUA in English  
1458 GMT 28 Aug 89*

[Text] Shenzhen, August 28 (XINHUA)—The Customs Tariff Commission under the State Council and the General Administration of Customs will adjust the import tariffs on air conditioners, typewriters, passengers' luggage and personal mail from September 1.

According to the decision, no tax will be levied on newspapers, magazines, gold or silver products, or grain.

The rate of import duty for medical instruments, scientific research apparatus, medicines, drugs and perfumes will be 20 percent, and that for household appliances (excluding video recorders), cameras, watches, bicycles, textile products and cosmetics, 100 percent.

The tax rate on video recorders, motorcycles and their fittings will be 150 percent. For cigarettes, liquors, and limousines and their fittings, the import tariff rate will be 200 percent.

The tariff rate for those goods not included in the above will be 50 percent.

### Yangtze River Tourism Regains Momentum

*OW3008061089 Beijing XINHUA in English  
1152 GMT 29 Aug 89*

[Text] Beijing, August 29 (XINHUA)—Tourism is picking up again on the Yangtze River, especially on the popular "Three Gorges" stretch.

According to the Ministry of Communications, groups of tourists from Hong Kong, Macao and Taiwan have been flocking to this, one of China's most scenic spots over the past few weeks.

Moreover, a large number of tourists from Western countries and southeast Asia have booked on the cruise boats for next month.

### Textile Trade Continues Growth Through July

HK2908011489 Beijing CHINA DAILY in English  
29 Aug 89 p 2

[By staff reporter Qu Yingpu]

[Text] As one of the pillars of China's economy, the textile industry, in spite of many obstacles, is forging ahead against the world's competitive current.

Although textile output and exports have continued to grow during the first seven months of the year, the shortage of energy, funds and raw materials has been threatening China's position as one of the five biggest textile exporters in the world—ahead of Taiwan and Japan.

The slight rise in output between April and June over the first three months of the year was lost again in July, said Wang Zengjing, Vice-Minister of the Textile Industry.

During the first seven months of this year, China's textile output was 75.63 billion yuan (about \$20.28 billion) a 4.32 percent increase over the same period last year.

Among the industry's 12 major products, only the production of synthetic fibre, cotton yarn, printed and dyed cloth, woollen flannel and textile machinery made their goal while none of the other seven including cotton cloth, woollen fabric and silk managed to meet the target for the January-July period.

Any changes in the textile industry is critical to China's GNP. Last year, the industry's output value accounted one-tenth of the country's GNP while the retailing value of garments took one-sixth of the total national retailing value.

According to Chinese customs' statistics, the country exported more than \$6.15 billion worth of products manufactured by the industry during the first half of this year up by 12.5 percent compared with the same period last year.

Of the figure, the export of textiles, garments and knitted wear shared \$5.45 billion, 15.96 percent more than during the same period last year. The export volume of all major textile products except cotton yarn, silk and silk products, woollen fabric saw an increase.

The export of textiles also plays an important role in China's foreign exchange earnings.

Between 1978 and 1988, China exported \$56 billion worth of textiles, which was 22 percent of China's total export value.

However, Wang said, the development trend is also hurt by the shortage of funds and raw materials.

Fifteen provinces, municipalities and autonomous regions are now in urgent need of cotton. If the problem

is not seen to immediately, the supply of cotton products to both the domestic and foreign markets will be affected.

Because of the lack of raw materials, the production of many textile products last month went down compared with June. For instance, the production of cotton yarn last month was 663 tons less than in June.

The export is also hurt by high production costs. During the past few years, the prices of cotton, wool and silk have gone up three to five times, and the prices of chemical fibres, dyeing chemicals and energy have also risen. The rising prices of raw materials are expected to add 7 billion yuan (\$1.88 billion) to the production costs of the industrial output this year.

### Article Discusses Public, Private Ownership

HK2908130189 Beijing JINGJI CANKAO in Chinese  
7 Aug 89 pp 1, 4

[Article by Wu Shuqing (0702 2885 3237), economics professor and vice president of the People's University of China: "Adhere to the Socialist Orientation of Reform and the Opening-Up Policy—Also Commenting on the 'Privatization' Opinion Encouraged by Comrade Zhao Ziyang"]

### [Text] Two Conflicting "Views Of Reform and Opening the Country to the World"

The principle of carrying out reforms and opening the country to the world is an important part of the line, principles, and policies adopted at the 3d Plenary Session of the 11th CPC Central Committee, as well as an important feature of the party's basic line. However, since the establishment of the socialist system in the country, the strong points of this brand-new system have not been fully exploited. An important economic reason why is that fossilized and rigid patterns have grown out of the economic structure and these patterns, with many defects, are incompatible with development of productive forces. As a result, the socialist economy, which should be very lively, has lost much of its vitality. This is also an important reason for the spread of bourgeois liberal ideas. To give full play to the superiority of the socialist system, to enhance the attraction and rallying power of socialism, and to more forcefully struggle against bourgeois liberalization, it is necessary to unswervingly follow the path of carrying out reforms and opening the country to the world. If one says that the proposition "only socialism can save China" is an inevitability proven by the development of modern Chinese history, the proposition that we must take the road of carrying out reforms and opening the country to the world in building socialism is also an inevitability proven by the development of modern Chinese history over the past 40 years.

However, it must be pointed out that the reforms and the opening-up policy have become an historical inevitability in the course of building socialism, as well as the

road China must traverse before it can become strong and powerful, because they mean the self-perfection and development of the socialist system. Therefore, the reforms and opening-up policy which we are supposed to unswervingly carry out and implement must be, and can only be, reforms and an opening-up policy that are at one with the adherence to the four cardinal principles. This means that these reforms and this opening-up policy must be carried out and implemented under the leadership of the party and the government and under the guidance of Marxism-Leninism and Mao Zedong Thought, and must be aimed at perfecting and developing socialism. The "reforms and the opening-up policy" advocated by the exponents of bourgeois liberalization are "reforms and an opening-up policy" that do not involve adherence to the socialist orientation. They not only cannot make China strong or powerful, but they will only lead to China's extinction. The reason is that if China does not take the socialist road, it can only become a vassal state of various Western countries, it will eventually be subject to the rule of international monopolistic capitalism, and development will not be easy.

One of the major mistakes of Comrade Zhao Ziyang was that he separated the reforms and the opening-up policy from the four cardinal principles, and viewed them as conflicting. Because of his departure from and abandonment of the four cardinal principles, because of his permissive attitude toward bourgeois liberalization, and because he encouraged it, it was impossible for him to really adhere to the socialist orientation in implementing Comrade Deng Xiaoping's principle of carrying out reforms and opening the country to the world. In his opinion, no one really knew which was the socialist road, hence one could either forget or avoid the question of adhering to socialism. If one is guided by such ideas in carrying out reforms and opening the country to the world, it would be a miracle indeed if one did not go astray. This is the reason why the exponents of bourgeois liberalization, who are pretending to be "carrying out reforms and opening the country to the world" and who are actually enthusiastic for China's "wholesale Westernization," and hostile forces in the country and abroad, which, under the guise of concern for China's reform and opening-up policy, have expressed their hope that China will change its socialist character and switch to the capitalist road; and desperately hope that "Zhao Ziyang will acquire enough power" to become a "dictator." In the course of the development of the political turmoil into a counterrevolutionary rebellion in Beijing, the political conspirators and schemers who masterminded the turmoil and the rebellion, apart from holding firm to their bourgeois liberal stand, directed their attacks against Comrade Deng Xiaoping, the chief architect of China's reforms and opening-up policy, shouting: "We have no need for Deng Xiaoping's wisdom and experience." On the other hand, they flatteringly called Comrade Zhao Ziyang a "reformer" and an "enlightened person," saying that "the country is hopeless without

Ziyang." This shows that there are indeed two fundamentally conflicting "views of reform and opening the country to the world." Although we have now scored a decisive victory in putting an end to the turmoil and quelling the counterrevolutionary rebellion, and Comrade Zhao Ziyang has been relieved of all his party and other duties, the influence of Comrade Zhao Ziyang's erroneous ideas regarding the reforms and the opening-up policy on practical work has not been completely eliminated. Therefore, in implementing the principle of carrying out reforms and opening the country to the world, it is necessary to have a clear understanding of the two "conflicting views of reform and opening the country to the world."

#### **Whether or Not To Uphold the Dominant Role of Public Ownership**

The existence of two fundamentally conflicting "views of reform and opening the country to the world" is evident in many areas. It is most evident as far as the fundamental question of whether or not to uphold the dominant role of public ownership is concerned.

The fundamental difference between the socialist system and the capitalist system in connection with the economic basis boils down to a difference between socialist public ownership and capitalist private ownership. Therefore, people intending to stealthily change the political orientation of the reforms and opening-up policy will naturally first concentrate on negating public ownership and on advocating privatization. SHIJIE JINGJI DAobao and JINGJIXUE ZHOUBAO [ECONOMIC WEEKLY] have been doing this very energetically.

It should be pointed out here that conceptually, so-called privatization is fundamentally different from the development of an economy featuring different types of ownership with public ownership playing a dominant role, which our party favors. The latter is based on the country's national conditions at the initial stage of socialism, on the fact that the country's productive forces are not well developed, and that production in the country is unbalanced and not highly socialized. As far as the question of ownership structure is concerned, it is a departure from the traditional pattern characterized by "large size, a high degree of public ownership, and purity." It permits, on condition that the dominant role of public ownership is upheld, the development of the individual and private sectors of the economy, and allows different forms of ownership and different sectors of economy to have different relative importance in different economic domains and in different parts of the country. However, the advocates of privatization suggest that China's economic basis be radically transformed, that private ownership be made the dominant form in the country's economy, and that the entire economy be diverted toward privatization.

The advocates of privatization have their own theories and strategies. Generally speaking, they first, under the pretext of introducing the productive forces criterion,



dismiss the difference between things that are "capitalist" in nature and those "socialist" in nature, in order to rid the reform of its political orientation. Second, they advocate the "convergency theory" so as to obliterate the essential difference between capitalism and socialism. Third, they disacknowledge the importance and role of ownership in economic life and call for the transformation or reconstitution of ownership in accordance with the requirements of a commodity economy. Fourth, they distort the contents of public ownership and deny that public ownership is the economic basis of socialism. Fifth, capitalizing on productive forces changes, they deny that public ownership is a historical inevitability. And sixth, under the pretext of defining property rights relations, they propagandize the magical power of private ownership and disacknowledge the importance of public ownership. Comrade Zhao Ziyang never openly advocated privatization; however, after his talks with Friedman, he pursued a slanted policy in those economic sectors in which there is little under public ownership, and repeatedly stressed the need for state-run enterprises to introduce township and town enterprise mechanisms. This is tantamount to encouraging the advocates of privatization and can make people who are not well versed in the tenets of Marxism and, in particular, young people, lose their faith in socialism and feel that ownership must be touched, transformed, and reconstituted in deepening the reforms. Therefore, in holding firm to the socialist orientation of the reforms, it is necessary to dissect the views championed by advocates of the theory of privatization, so as to make a clear distinction between right and wrong.

**It is necessary to have a clear understanding of the productive forces criterion, and we absolutely cannot regard it as grounds for negating the nature of the social system.** The principle of the productive forces criterion is a fundamental principle of historical materialism, which suggests that productive forces are the ultimate determinant forces or the ultimate reason behind the development of all societies. Whether or not our lines, principles, and policies are correct, depends, in the final analysis, on whether or not they can stimulate the development of productive forces. The relationship between productive forces and social systems is that whether or not a particular social system can exist and develop depends on whether it can meet the requirements for the development of productive forces. However, the nature of this particular system is decided by the conditions of its economic basis and superstructure, but not by productive forces. The question of whether something is "capitalist" in nature or "socialist" in nature is a question of the character of certain economic systems, certain forms of ownership, and certain economic activities. Productive forces can determine whether or not they have a historical basis on which to exist and develop, but cannot determine their socioeconomic character. We should adopt all those things that can facilitate the development of productive forces. However, this does not imply that all of them must be socialist in nature. They can be socialist or capitalist

things. However, all of them are permitted under socialist conditions. To distinguish between things that are "capitalist" in nature and those that are "socialist" in nature is not to eliminate all nonsocialist things. However, if we can make such a distinction, we can properly formulate policies and gauge their development. Attempts to dismiss the differences between things that are "capitalist" in nature and those that are "socialist" in nature by introducing the productive forces criterion will adversely affect the formulation of correct policies and obliterate the essential difference between capitalism and socialism, and can easily make the reforms deviate from their course.

**The "convergency theory" is a specious theory. What is fundamentally wrong with it is that it uses properties that are similar in form to negate essential differences.** A special characteristic of the "convergency theory" is that it calls for the replacement of the social system by operational mechanisms, but does not deal with the question of the real cause of the similarities between different operational mechanisms. For example, in modern capitalist economic development, it has become necessary for the state to exercise macroeconomic regulation and control of [tiao kong 6148 2235] the market economy. On the other hand, in the course of socialist economic reforms, there is now a tendency to stress market regulation [tiao jie 6148 4634]. Actually, they have arisen from the different requirements produced by different economic environments. The former represents the process in which the socialization of production forces the anarchical state of production to give way to planned production. However, there is the latter tendency because the traditional planned economic system has outgrown [chao yue le 6389 6390 0055] the present productive forces. The need to combine planning with the market, which is given rise to by the latter tendency and which is similar in form to the need given rise to by the former tendency, gives exponents of the "convergency theory" an excuse to dismiss the differences between social systems. Actually, compared with the differences between social systems, operational mechanisms are a very superficial matter in the economic science, and can never be mentioned in the same breath with the question of the substance of social systems. Operational mechanisms are, in the final analysis, decided by the nature of social systems. The essential differences between social systems are fundamental differences which dictate the fundamental differences in interest relations and values. These differences cannot be eclipsed by similarities in other areas. Moreover, these differences tell us that these similarities are caused by different things and that problems can be solved in different ways. We should pay special attention to this in learning from and drawing on theories of the West.

**The question of the relationship between the development of the commodity economy and ownership has also been turned into a baffling matter by the advocates of liberalization. From the viewpoint of Marxism-Leninism, a commodity economy, as an economic activity different from a natural**

economy or one which is a noncommodity economy by nature, has its own special nature and laws. However, under different social systems, commodity economies which are different in nature, apart from sharing the common characteristics of commodity economies, will necessarily still retain their special character and special features. The special character and special features of a particular commodity economy is decided by a particular form of ownership. Discussing the attributes [shu xing 1466 1840] of capitalist production, Marx, in his "Das Kapital," stressed that it "not only creates use value, but also creates value; it not only creates value, but also creates surplus value." The first "not only" and "but also" refer to the difference between commodity production and noncommodity production, whereas the second "not only" and "but also" tell us that the special character of a capitalist economy distinguishes it from commodity economies in general. It has this special character because it is a commodity economy based on capitalist ownership. Although the special character of a capitalist commodity economy does not prevent it from sharing some common general characteristics with other commodity economies, it imposes some special rules by which its general characteristics manifest themselves, and implies special economic interests and special economic requirements. This is most evident in the transformation of the law of value into the law of production prices. Therefore, fundamentally speaking, the social character of a commodity economy is decided by ownership relations, and these relations decide the category to which a commodity economy belongs, as well as its special operational laws. It is not the general attributes of commodity economies that decide the nature of ownership.

People advocating the view that the nature and form of ownership should be determined in accordance with the requirements for the development of a commodity economy of course have different starting points. However, this view has been frequently used by the advocates of privatization as grounds for rejecting public ownership and, in particular, the system of socialist ownership by all the people. Actually, this view has never been examined in practice. This is observable from the fact that the existence and development of the system of socialist ownership by all the people are not necessarily incompatible with the development of the socialist commodity economy, from the existence, in practice, of commodity relations between state-run enterprises in the socialist economy, as well as from the existence of commodity relations between enterprises owned by the same people in a modern capitalist economy. The people who, for the sake of advocating privatization, have impatiently concocted the theory that public ownership is incompatible with commodity economies should really give serious thought to the reality of the development of the commodity economy. This should at least make their theory a little more defensible.

The view that socialist economies are based on public ownership is shared by Marxists all over the world. In addition, one should say that even bourgeois economists of

the West also acknowledge it. Naturally, the kind of public ownership discussed here is socialist public ownership, but absolutely not the public ownership in primitive communes. And still less does it refer to the "state-run enterprises" in private-ownership societies. One should say this is just common knowledge. Engels maintained: If one refers to all kinds of nationalization, including Bismarck's version of nationalization, as socialist, this is simply sham socialism, and something that can become as bad as out-and-out servility. However, some advocates of privatization enjoy being servile and have tried openly to incorporate capitalist state ownership into public ownership, in order to deny that public ownership is the economic basis of socialism. Their logic works in this way: They first define public ownership as the ownership of means of production and property by the community, then state that the differences between public ownership and private ownership can only be the social attributes [she hui shu xing 4357 2585 1466 1840] of owners and nothing else, and finally, under the pretext of [jie kou 0234 0656] the differences between the capitalist state as the social community and the individual in the bourgeoisie as a member of the social community, draw the conclusion that "capitalist state ownership undoubtedly belongs to the category of public ownership." Their purpose is to prove the neutrality of both private and public ownership and that there are no differences between them regarding the question of modes of production, in order to deny that public ownership is the economic basis of socialism. But this kind of logical reasoning is simply invalid. The reason is that in the Marxist economic theory, the question of ownership as a theoretical formulation summing up economic relations calls for an examination of the economic substance of the ownership principal, but not its specific forms; in other words, the question of whether it is the individual in the bourgeoisie or the capitalist state. Engels put it admirably: Under the capitalist system, productive forces are not stripped of their capitalist character whether they are transformed into joint-stock companies or state property. Modern states, whatever their forms may be, are, in substance, capitalist machinery, states of capitalists, and the ideal, ultimate capitalists [li xiang de zong zi ben jia 3810 1927 4104 4920 6327 2609 1367]. Within capitalist state ownership, capitalist relations are not eliminated, but are lifted to the highest point. Although the people who reject public ownership and advocate private ownership by distorting the contents of public ownership claim that they are trying to interpret Marxism anew, it seems that they should really seriously study some of Marx's basic writings.

Regarding the historical inevitability that socialist public ownership will eventually replace capitalist private ownership, Marxism has drawn a conclusion from the historical requirements introduced by the development of socialized mass production. This conclusion is that the sharp conflict between the development of modern productive forces and capitalist private ownership must be resolved by recognizing the social character of modern productive



**forces. In this way, production and the modes of possession and exchange will be compatible with the social character of means of production. This can be achieved only if society openly and directly takes over and owns the productive forces which have become so developed that they can be subject only to social management, but not to other types of management. This is a relatively more rigorous logical argument. Today, it has been confirmed by history.**

In order to completely do away with public ownership, the advocates of privatization have also tried their best to refute this logical conclusion. They claimed: The development of modern productive forces has not proven Marx's proposition, because apart from the existence of concentrated, large-scale socialized mass production, there is also the tendency to make things small and scattered. Therefore, public ownership is deprived of its logical premise. However, in spite of their conclusion, they still leave at least three logical contradictions unresolved. First, although there is small-scale, decentralized production in the development of modern productive forces, there is also large-scale, concentrated production. Second, there is the question of which of these two tendencies is dominating economic life and deciding economic development. And third, there is the question of whether small-scale, decentralized production can exist in isolation from the socialized economy. By resolving these three contradictions, we can correctly answer the questions of whether or not the Marxist theory of public ownership has logical grounds and whether or not it is in line with the laws governing social development.

**The question of whether private ownership or public is more efficient is one that advocates of privatization have expended much energy on.** They have tried to seek "evidence" in practice to argue for the view that "state-run is inferior to collective, collective is inferior to individual, and individual is inferior to private." However, they completely ignore the unequal competition resulting from the inappropriate slanting of the policies applied in the course of the reforms, the different effects produced by different types of ownership on the development of socialist construction, and their contributions to meeting social needs and to increasing social accumulations. They have asserted that under public ownership and, in particular, the system of ownership by all the people, with their so-called "owners in absentia," practically all people are only nominal owners and none of them is a real owners, every one tries to take advantage of them to make money, but no one cares about public property. They even regard public ownership as one of the causes of corruption. On the other hand, they speak highly of private ownership and vigorously extol its magical power, saying that it can help us increase the value of our property and use it more efficiently.

According to the advocates of privatization, public ownership, particularly ownership by all the people, is "empty ownership" with the "owners in absentia" and, therefore, people could not care less about its development. This argument appears to be consistent with the "facts." However, it only deals with the periphery of

matters without going into the substance of things. Appeals to phenomena in lieu of their substance are precisely a special characteristic of vulgar economics. It has no place in serious economics. The system of socialist ownership by all the people is not an abstract concept in China. It is a reality. The most appealing slogans introduced during the political turmoil—namely, punish the corrupt and down with official speculators—tell us what exactly the people's common will and interests are. The people bitterly hate corruption and official speculation because if property under the system of ownership by all the people belong to all the people, it should be used to benefit the people and not be used by a few people to benefit themselves. If ownership by all the people is a myth and property actually does not belong to the masses of people, how can the people raise objections to people seeking personal gains by abusing their power? Can people in a capitalist enterprise raise objections to capitalists seeking their personal gains by abusing their power? The people's strong objections to the practice of seeking personal gains by abusing one's power tell us that the masses of people strongly demand that the socialist, public nature of the system of ownership by all the people be upheld, and that they will not allow it to be slightly affected or blemished.

In reality, there are indeed people who could not care less about public property. However, this phenomenon is not inherent in public ownership. This problem exists because a good actual form has not been found in practice yet. Here, we need to solve two problems: Macroeconomically, it is necessary to solve the problem of using the property owned by the people to truly benefit the people and, microeconomically, it is necessary to solve the problem of making laborers the real masters of their own affairs. However, although there are problems resulting from the imperfect form of ownership by all the people, this does not imply that the system of ownership by all the people can never solve the existing problems. Although there is a lack of high efficiency under the present system of socialist ownership by all the people, this does not mean that efficiency is out of the question under public ownership. Actually, there are many operationally efficient state-run enterprises.

The view which suggests that efficiency is possible only if public ownership is replaced by private ownership is merely based on the idea that only when means of production are private property will people be concerned about them and pay close attention to their correct use and to increasing their value and will there be efficiency. This view has long been overthrown by Marx and is inconsistent with the historical development of the contemporary world. Theoretically speaking, private ownership implies the ownership of means of production by a few people. The majority of people will be deprived of their ownership of means of production and become hired laborers who have nothing to sell except their labor. Let us not dwell on the fact that this will necessarily lead to the emergence of the exploiting class, but confine ourselves to the question of a concern for private property. Only a few owners of private property will be so concerned. Why should the majority of workers, who have lost their means of production, be concerned about the private property which is not theirs? The "Communist

nist Manifesto" has long refuted the parochial bourgeois view that people will become lazy if private ownership is abolished, pointing out that if this were true, capitalist societies should become extinct long ago as a result of people's laziness, because in such societies, most of the people are proletarians who do not possess any private property (means of production). Actually, from an economic point of view, property rights are not the only thing that motivates work. There are other interest incentives as well. In a private economy, the majority of laborers, deprived of their private property, do not work because they are concerned about the private property which is not theirs. They are subject to labor discipline, truncheon discipline [gun bang ji lu 2760 2761 4764 1774], and starvation discipline [ji e ji lu 7382 7408 4764 1774]. Under the economic condition of a high degree of socialization of production in highly developed capitalist countries in the contemporary world, ownership is already separate from operational authority, and enterprise operators normally are not their owners. However, one cannot say that they will not work hard to improve their enterprises' business, to uphold the integrity of the enterprises' assets, and to increase their value or that they could not care less about the effective use of these assets. Similarly, this also shows private property is not the only restrictive mechanism. Apart from property rights, which are a form of restriction, there are also other forms of economic interest restrictions. At a time when productive forces have developed beyond individual ownership, one simply cannot say that only private ownership can make people care about the use of assets and increasing their value. For the majority of people who cannot directly own means of production as individuals (under capitalist ownership, they can only be hired laborers; on the other hand, under public ownership, they can, as members of the community, jointly own means of production belonging to the public, with other members of the community, but cannot own them as individual owners), this is just rigmarole.

The advocates of privatization have never been able to come up with a defensible theory. They have only succeeded in piecing together some theoretical views by juggling with terms, by resorting to specious arguments, and by drawing superficial inferences from phenomena (for example, "things belonging to the public get worn out faster than private belongings") without going into the substance of things. They could have caused a temporary sensation not because they can produce theoretical views worthy of serious thought, but because Zhao Ziyang and his kind, on the one hand, let the advocates of bourgeois liberalization run rampant spreading their views and shouting slogans like "Ideological emancipation" and "Liberalization should not be opposed in the economic field" and, on the other, oppressed and attacked the comrades holding firm to the Marxist stand.

In the course of the reforms, we can only look forward to the future and should do our best to explore actual forms of public ownership which can give play to the superiority of socialism; we should not look back or go back to privatization, which has been abandoned in the course of the development of Chinese history.

### Statistics Show Good Early Rice Harvest

OW2808192689 Beijing XINHUA in English  
1442 GMT 28 Aug 89

[Text] Beijing, August 28 (XINHUA)—China's early rice output has reached 47.96 million tons, 947,000 tons or two percent more than last year's figure, according to the State Statistics Bureau.

The figures are based on sample surveys of the nine major early rice producers—Zhejiang, Anhui, Fujian, Jiangxi, Hubei, Hunan, Guangdong and Hainan Provinces, and the Guangxi Zhuang Autonomous Region, and five secondary early rice production regions.

The bureau attributed the good harvest to the following reasons: Leaders at all levels have given priority to grain production; Guangdong, Hubei and other provinces have stressed the responsibility system linking agriculture with the economic interest of the officials; and localities have earmarked funds to subsidize farmland capital construction and grain production, readjusted purchasing prices and adopted measures to reward rice producers.

As a result, over 93 million ha have been covered with early rice in China this year, 1.6 percent more than last year. Peasants have also used more fertilizer and the weather is quite favorable.

The bureau also pointed out though the summer harvest and early rice output has increased by 3.5 million tons, there are still difficulties in the way of harvesting 410 million tons of grain this year. As the autumn harvest should increase by 12.5 million tons of grain and drought threatens crops in some areas, the bureau suggests localities strengthen management, ensure a timely supply of various farm materials and help control crop disease and harmful insects.

### Vegetable Production Bases Built on Five Sites

OW2708223389 Beijing XINHUA in English  
0632 GMT 27 Aug 89

[Text] Beijing, August 27 (XINHUA)—Five vegetable production bases have been built throughout China.

They can provide three million tons of fresh vegetables a year, ensuring a continued supply of fresh vegetables even in cold winter in cities in northern China.

The five bases are the southern base which covers Guangdong, Guangxi, Yunnan, Sichuan and Fujian, one at the Huaihai Economic Area which covers Xuzhou and Bengbu Cities and eight counties in east China, one at the Zhangjiakou Economic Area which covers six north China counties, the Hexi Corridor Base which covers Zhangye, Jiuquan and Wuwei in Gansu Province, and one in Hebei and Shandong Provinces.

The southern base is designed to provide fresh vegetables to big and medium-sized cities in northern China from November to April next year.

Construction of the five vegetable production bases helps solve the problem of typical seasonal supplies of fresh vegetables. In northern cities, shortage of fresh vegetables had long been a problem in the winter.

### East Region

#### Anhui Official Surrenders; Admits Embezzlement

OW2808192989 Beijing XINHUA in English  
1454 GMT 28 Aug 89

[Text] Hefei, August 28 (XINHUA)—Liu Yushan, deputy director of the provincial Department of Machinery Industry in east China's Anhui Province gave himself up last Friday to the provincial supervisory organ and confessed to embezzling more than 30,000 yuan.

The official, who handed in a bankbook with records of 47,600 yuan in deposits to the supervisory organ, confessed that he started to embezzle public funds in March this year.

The 60-year-old Liu is a party member who began his work career before 1949, when New China was founded.

#### Fujian Government Holds Executive Meeting

OW2908003189 Fuzhou FUJIAN RIBAO in Chinese  
3 Aug 89 p 1

[By the office of the provincial leading group on screening and consolidating companies]

[Text] The provincial government held the 19th executive meeting of this year on 31 July to diligently study and implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, the recently plenary meeting of the Political Bureau of the CPC Central Committee, and the enlarged meeting of the Standing Committee of the provincial party committee, as well as to review and work out arrangements for screening and consolidating companies. Governor Wang Zhaoguo presided over the meeting, which was attended by Vice Governor Shi Xingmou and leaders of the relevant provincial departments and bureaus.

The meeting held that, through efforts over the past 9 months or so, marked results have been achieved in comprehensively and penetratingly screening and consolidating companies throughout Fujian since the work began last October.

As soon as the screening and consolidation work was launched, the Standing Committee of the provincial party committee called a special meeting and decided that 12 provincial level leading cadres resign from the jobs they held concurrently in companies (enterprises), while the provincial Advisory Commission's demand to all its members to resign from their concurrent jobs within a time limit was promptly complied with. Acting on the central authorities' instruction, the leading organs of the provincial party committee, the provincial People's Congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference took the lead in earnestly screening the labor service companies affiliated with the leading organs, thereby setting good examples for screening and

consolidation work throughout the province. Of the 7,736 companies targeted for screening, 6,323, or 81.8 percent of the total, are allowed to continue operations. After a thorough screening, of the 714 companies (enterprises) run by party and government organizations in Fujian, 213 have been closed, 17 merged, 6 downgraded, and 478 separated from the party and government administration in terms of manpower, financial resources, and material supplies. Of the 328 companies which did not separate government administration from management, 190 have separated government from company management and become economic entities, 88 have been closed, and 50—or 15.2 percent of the total—have temporarily postponed screening and consolidation, which will be conducted later along with structural reform.

Of the 1,546 party and government office cadres holding concurrent jobs in companies (enterprises), 1,458, or 94.3 percent of the total, have resigned in the course of screening; and of the 380 retired cadres holding concurrent company (enterprise) jobs, 301, or 79.2 percent of the total, have completed separation procedures. A total of 320 cases of violating of the laws and regulations, including 63 major and serious cases and 126 cases involving profiteering, have been uncovered in the course of screening. Of this, 168 have been handled and 27 transferred to the judicial department for prosecution and punishment, with penalty funds totaling 6.34 million yuan.

The meeting studied, in particular, major obstacles to further screening companies in depth: First, a few companies and their competent authorities have failed to thoroughly understand the importance of the work to screen companies, and have continued the operations of companies engaging in illegal business activities; other companies have superficially separated government administration from company management while secretly keeping government connection; and still others have simply failed to conduct and report the results of the screening to higher authorities. Second, investigation of cases has encountered resistance as people are reluctant to investigate cases of official profiteering involving local financial interests; hence, the rate of cases with investigation completed is rather low. Third, it has been very difficult to screen enterprises engaging in different kinds of economic activities.

In accordance with the decision by the central authorities and the State Council on solving the problem of an excessive number of companies in the field of commodity circulation and on further cleaning up and rectifying companies, the executive meeting of the provincial government put forward the following seven proposals:

1. It is necessary to form a joint investigation group. The provincial Advisory Commission, the provincial People's Congress, and the provincial CPPCC Committee should be invited to join this group to go to various localities to check how the work of cleaning up and rectifying companies was done in the previous stage.



Various prefectures and cities should also organize investigation groups to study cases in various counties and cities. The focal point of the investigation is to see if various localities are truly acting according to the decision by the central authorities on cleaning up and rectifying the companies; if those companies which are run by party or government organizations are truly separated from such organizations in personnel and financial affairs and in material supplies; if the cadres or retired cadres of party or government organs who concurrently work for the companies have resigned from either post; if those companies which have no good reason to exist have been told to close; and if major and important cases have been under thorough investigation and the investigations have met with resistance.

2. It is essential to compile a list of companies about which the masses have complained most, study the cases individually, resolutely close some of them, and continue to solve the problem of an excessive number of firms in the realm of commodity circulation. The provincial auditing bureau must first audit large companies with poor administration or those engaging in illegal business transactions, and then handle them case by case. The provincial authorities must take the lead to set good examples for the other localities in the province.

3. Efforts must be made to strengthen the investigation of economic cases. It is necessary to combine our efforts to clean up and rectify the companies with our endeavor to fight corruption and keep the government clean and honest; and to dig up those cases involving government organizations and enterprises colluding with each other in carrying out speculation and illegally selling important materials. We must compile a list of the major cases we have unearthed in the course of cleaning up and rectifying companies, and thoroughly investigate and seriously handle each case. Cases in violation of the criminal law will be referred to judicial organs for proper handling. It is strictly forbidden to impose fines in lieu of criminal sanction. Typical cases should be handled according to the legal procedure as soon as possible, and reports on how the cases are handled should be made public.

4. In the course of cleaning up and rectifying companies, we must do a good job in solving the issue of to what kind of ownership system a particularly enterprise belongs. The relevant department must set rules on how to differentiate between the various sectors of the economy and carry out reform in this connection. Various localities must get organized and conduct investigations and study first; select a county or city to carry out experiments; and gradually popularize such experience in other localities.

5. Those companies which we decide to retain after the cleaning-up procedure should register themselves. It is essential to educate the representatives of the enterprises on business management and industrial and business laws. Industrial and commercial administrative organs

must carefully check the companies applying for reregistration. Those not meeting the requirements should not be allowed to reregister or have their licenses renewed. We must reevaluate those companies having an excessively widespread range of businesses. We must strictly screen those companies engaged in wholesale trade. No unit or individual is allowed to interfere with registration or investigation work.

6. During the period of cleaning up and rectifying companies, the work of examining and approving new companies will be suspended (with the exception of Chinese-foreign joint ventures, cooperative enterprises, and enterprises run exclusively with foreign investment).

7. Decisions to determine the level of authority in handling cases of closing and merging companies should be made public. We should accept the supervision of the masses in this connection and welcome the masses' reports on irregularities.

#### **Fujian Meeting Hears Family Planning Report**

*OW3008024789 Fuzhou Fujian Provincial Service  
in Mandarin 1000 GMT 26 Aug 89*

[Text] The Standing Committee of the provincial People's Congress on 19 August convened a meeting of responsible persons of 28 agencies directly under the provincial authorities to hear their reports on implementing Fujian Province's regulations on family planning.

Before the meeting was convened, the Standing Committee had conducted a survey to determine the progress in implementing the regulations in nine prefectures and cities throughout the province. The survey showed that in the past year since the promulgation of the regulations, an initial situation has developed in which family planning work is comprehensively shared by all units concerned throughout the province. Nevertheless, some relevant departments directly under the provincial authorities have not yet implemented the regulations' provisions because they did not regard family planning as their job.

Zhang Yumin, vice chairman of the Standing Committee of the provincial People's Congress, called on departments at all levels to regard the work of controlling population growth as important as maintaining unity with the party Central Committee, resolutely implementing the party Central Committee's basic national policy, or abiding by the law; and called on them to carry out their functions and duties properly.

#### **Shanghai Commentary Views Learning From Heroes**

*OW2908231689 Shanghai City Service in Mandarin  
2200 GMT 21 Aug 89*

[Station commentary: "Learn From the Deeds of Heroes in Quelling the Rebellion; Promote Shanghai's Work in All Areas"]

[Text] A group responsible for reporting the deeds of heroes in quelling the counterrevolutionary rebellion in



Beijing has made a report in Shanghai. The heroic deeds it reported have greatly inspired the people of Shanghai, who are studying in depth the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the speeches by Comrade Deng Xiaoping. The deeds have also served as a motivating force to boost Shanghai's work in all areas. We would like to pay high tribute and express our deep gratitude to the heroes.

Quelling the counterrevolutionary rebellion in Beijing was a complicated and arduous struggle. In this grave struggle, the officers and men of the People's Liberation Army, Armed Police, and police, closely relying on the masses, successfully put down the counterrevolutionary rebellion. The heroes not only defended the people of Beijing and Shanghai but also defended the socialist People's Republic.

The people of Shanghai are of one mind with the loyal defenders of the republic. In the process of checking the turmoil and quelling the rebellion, the people of Shanghai also underwent a rigorous test. Now that the group responsible for reporting the deeds of heroes in quelling the counterrevolutionary rebellion has arrived in Shanghai, the people of Shanghai have been greatly inspired. As Shanghai is faced with an arduous task, the people of Shanghai must earnestly emulate the heroes in quelling the counterrevolutionary rebellion and learn from their revolutionary spirit of fearing no perils, of daring to take up the cudgels for a just cause, and of daring to make sacrifices. The people of Shanghai should learn from their noble qualities of being forever loyal to the party, the people, and the socialist People's Republic; and make positive contributions to reinvigorating Shanghai and advancing socialist construction in Shanghai.

### **Zhejiang Secretary Stresses Enterprise Reform**

OW3008144989 Hangzhou ZHEJIANG RIBAO  
in Chinese 3 Aug 89 p 1

[By reporter Li Dan (2621 0030)]

[Text] At a recent discussion with some responsible persons of state enterprises from Jinhua, Quzhou, and other localities, Li Zemin, secretary of the provincial party committee, stressed: We must uphold the structural reform of enterprise leadership, and strengthen ideological and political work in enterprises. The goal of the two are similar, namely, to build the two civilizations better and faster.

On 30 July, Li Zemin held a discussion in Lanxi City with plant directors and party committee secretaries of the Lanjiang Smelter, the Lanxi Chemical Plant, the Gourmet Plant, the Textile Machinery Plant, the Fountain Plant, and the Cotton Mill on enterprise reform and ideological and political work. Between 31 July and 2 August, Li Zemin went to the Quzhou Chemical Industry Corporation, the Jiangshan Cement Plant, and the Xinanjiang Power Plant to discuss these two issues with party and administrative leaders of these entities.

Relevant leaders from Jinhua and Quzhou cities took part in the discussion. Li Zemin inquired in detail about the situation concerning reform and ideological and political work in these enterprises, and earnestly listened to managers and secretaries speak about their experience and thoughts as well as the problems, dilemmas, and difficulties facing them.

### **Structural Reform of Enterprise Leadership Must Be Upheld and Repeatedly Refined During Practice**

During discussion, some comrades complained that many cadres in enterprises remain skeptical of the policy concerning implementing the plant director responsibility and managerial contract systems, and worry that the policy on enterprise reform will change and be rolled back. Some plant directors indicated that they do not wish to extend their contracts. In response, Li Zemin said: The fundamental policy regarding the structural reform of enterprise leadership and the reform of the management mechanism will not change, and the factory director responsibility system must be continued unswervingly. He noted: This system is an important achievement in China during 10 years of economic and political restructuring, and is determined by the nature of enterprises and socialized mass production. Comrade Xiaoping has said that the general and specific policies since the 3d Plenary Session of the 11th CPC Central Committee will not change, and this of course includes the structural reform of enterprise leadership. It was also Comrade Xiaoping who first proposed implementing the plant director responsibility system. We should promptly correct errors discovered during practice in order to perfect the structure of enterprise leadership, and should not doubt or even negate the policy of reform or the plant director responsibility system. Some of the problems currently encountered by enterprises are not caused by this policy or system. We must ensure that the basic policy of reform is steady, and must not lay emphasis on one aspect and negate the other. We must stress dialectics, and the doctrine that everything has two aspects, and must not engage in metaphysics. We must not sway back and forth or turn from side to side.

### **Party Organizations in Enterprises Must Play Their Core Leadership Role in Ideological and Political Work**

Some comrades complained that the current position and role of party organizations in enterprises in relation to ideological and political work are unclear, and that the formation of organizations for party and political work in some enterprises has not been smooth, thereby weakening party, ideological, and political work. In this respect, Li Zemin said: We should note that in recent years, enterprise cadres have carried out much useful exploration on how to do a good job in ideological and political work during the new era. There have been innovations and progress. In addition, we should also note the impact on enterprises resulting from the serious neglect of party building and ideological and political work by Comrade Zhao Ziyang. We must not underestimate this. In many enterprises, party organizations

have become mere skeletons, and the ideological and political work in them were relegated to a subordinate status. This caused party, ideological, and political work to weaken and the quality of workers to fall, resulting in ideological confusion. Li Zemin said: Party organizations in enterprises must take charge of ideological and political work, and exercise their core leadership role in this respect. Every enterprise should have a crack organization and contingent of cadres for party and political work. Party committees in large and medium-sized enterprises should have corresponding organization, propaganda, and discipline inspection bodies. As for political work cadres, we must inculcate in them the spirit of sacrificing for the party's cause while helping them solve some of their actual problems. We must treat political work cadres like technical and management cadres in matters pertaining to wages, bonuses, housing, and titles. Without a doubt, party organizations in enterprises have the responsibility to coordinate, guide, and provide political leadership to trade unions and the Communist Youth League [CYL]. Li Zemin said: During the new era, we also need everyone to explore and create new experiences on how to strengthen ideological and political work in enterprises, and how to exercise the core leadership role of party organizations in ideological and political work in order to standardize and institutionalize them. Currently we must correctly handle the relations between inheritance and innovation in ideological and political work, and must not discard tradition to stress innovation. We must continue to uphold and carry on the fine traditions in ideological and political work, such as leaders setting an example; the mass line; caring for the workers' livelihood; unfolding systematic theoretical training for workers; and the good practice of conducting education on the four cardinal principles, patriotism, revolutionary tradition, and arduous struggle.

#### **Correctly Handle the Relations Between the Administrative Authority of Managers and the Position of Workers As Being Their Own Master**

Some comrades complained that recently public opinion has censured the enterprise leadership, particularly plant directors and managers, as if they have become a problem; and this has created a somewhat gloomy situation. On this, Li Zemin said: Since implementing the structural reform of enterprise leadership, practice has shown that the majority of leading party and management comrades in enterprises are good. They have upheld the one central task and two basic points, and have made outstanding contributions to the building of two civilizations in enterprises. During the recent political storm, enterprise leaders as a whole had weathered the test, and have done much to maintain stability and production in enterprises. As for some plant directors and managers who made mistakes or even violated law and discipline because of their inferior quality, these are their personal problems and they ought to be punished. We must not blame it on the structural reform of enterprise leadership, or use it to belittle leading cadres

in all enterprises. That is, we must not make management cadres feel dejected, as what occurred with the political work cadres. It is necessary for administrative leaders of enterprises to strengthen their administrative functions, enforce strict labor discipline, and establish the administrative authority of managers. We should support these. Currently, enterprises are facing a lot of difficulties, and all sectors of society should fully understand the hardships experienced by plant directors and managers during operation and production. Managers should also pay close attention to democratic management, let workers' committees exercise their functions, rely on all workers for the success of their enterprises, and handle correctly the relations between the administrative authority of managers and the status of workers being their own master. Currently, some enterprises have neglected the democratic management of workers, the role of workers' committees, the lack of openness in distribution, and the tense relations between cadres and the masses. These are due to the poor quality of some managers. Thus, plant directors must establish the sense of responsibility to the party and the masses and the sense of democracy, law and discipline; and they must continue to improve themselves.

#### **The Core Leadership Role of Party Organizations in Ideological and Political Work and the Central Position and Goal of Plant Directors in Enterprises Are Identical, and Complement Each Other**

Some comrades asked whether stressing the core leadership role of party organizations in ideological and political work will affect the central position of plant directors and managers in enterprises. Some comrades complained of the gap between administrative and political work in enterprises, and of the awkward situation between plant directors and secretaries. In this connection, Li Zemin said: Stressing the core leadership role of party organizations does not change the central position of plant directors and managers and their position as representative of their enterprises. The goal of the two are identical, and their work complements each other, namely, building the two civilizations to produce quality material products and to cultivate a contingent of idealistic, moral, educated, and disciplined workers. Li Zemin said: Plant directors and managers must also pay attention to ideological and political work and raising the level of cultural life, and must be held responsible for building the two civilizations. However, we must admit that plant directors and managers are often very busy with production and management, and this made it difficult for them to take charge of ideological and political work as well. Therefore, it is only natural that party organizations in enterprises take charge of ideological and political work. This is determined by the position, role, and responsibility of party organizations, and is in line with the party's constitution and the spirit of the "Enterprise Law." In administrative and political work, we must establish some types of systems, and formulate some rules and regulations to define responsibilities and straighten out relations. It is also important that plant directors and secretaries continue to study,

improve themselves, and arrive at a common understanding according to the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. Otherwise, it will be impossible to implement the systems even if they are good. While upholding the principles of party spirit and policies, plant directors and secretaries must stress friendship, mutual understanding, and mutual support. Although it is important that the systems are good, it is equally important not to criticize the intimate relationship between plant directors and secretaries before looking deeper into it. There is nothing wrong with having a good system and a harmonious human relationship. We must strive to cooperate better, and build the two civilizations faster.

### **Zhejiang Official Speaks on Bourgeois Liberalism**

*OW2808223889 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 22 Aug 89*

[Text] At present, all literature and art workers in our province must resolutely oppose bourgeois liberalization and try their best to develop and enrich socialist literature and art.

This was said by Luo Dong, member of the Standing Committee of the provincial party committee and director of its Propaganda Department, at a meeting of the provincial federation of literature and art circles today.

Speaking about the condition of the literature and art circles in Zhejiang, Comrade Luo Dong said: On the whole, the literature and art circles in our province are good, and are a reliable contingent. They have made notable achievements in the past 10 years, but we must not underestimate the influence of bourgeois liberalization on literature and art workers in our province. Judging from the problems that cropped up during the recent student unrest, some individuals in some literature and art units have been gravely corrupted by bourgeois liberalization, which has done great harm to the literature and art circles in our province. The consequences are obvious, and therefore we should examine them and sum them up.

He pointed out: At present, the primary task for the literature and art circles is to study the documents of the 4th Plenary Session of the 13th CPC Central Committee and the speeches by Comrade Deng Xiaoping and to arrive at a unified understanding after distinguishing between right and wrong.

He called on all to earnestly study Marxism-Leninism-Mao Zedong Thought, study the party's basic line, criticize bourgeois liberalization, and thoroughly rectify the ideological and theoretical matters that have been confused by bourgeois liberalization in the past years, so as to raise the political ideology and ethical level of literature and art workers. He said that literature and art workers should be organized to create good works by making contact with reality.

He called on all to make preparations for celebrating the 40th anniversary of the founding of the People's Republic of China, and to make earnest efforts to straighten out the cultural market. At the same time, he urged all literature and art workers to further improve the masses' cultural life, to resolutely oppose bourgeois liberalization, and to enrich socialist literature and art.

## **Central-South Region**

### **Guangdong Official Fired for Abusing Power**

*HK3108032189 Hong Kong TA KUNG PAO in Chinese 30 Aug 89 p 1*

["Special" dispatch from Guangzhou: "Xu Yunian, Chairman of the Guangdong Provincial Committee of Foreign Economic Relations and Trade, Is Suspended From His Duties for Alleged Abuse of Power to Seek Personal Gains"]

[Text] Guangzhou, 29 Aug—The Guangdong Provincial People's Government will brief the provincial People's Congress on the investigation of the case of Xu Yunian, chairman of the provincial Foreign Economic Relations and Trade Committee, and relevant views about handling the case. This is what this reporter learned from the ninth session of the Standing Committee of the provincial People's Congress held today.

Sources related to the provincial People's Congress revealed that Xu Yunian had been dismissed. The problem may have to do with his abusing power to serve private ends. If this is true, Xu Yunian will be the most senior official affected to date in Guangdong Province's effort to promote honest government and combat corruption.

Xu Yunian was appointed in June last year as chairman of the provincial Foreign Economic Relations and Trade Committee. Before this, the Standing Committee of the provincial People's Congress had twice discussed the report on Xu Yunian's appointment, which was not approved. The view then held was that Xu Yunian, with many years of work experience only in the united front field, was not suited for leadership work in foreign economic relations and trade.

The Guangdong Provincial Government will brief the provincial People's Congress on Xu Yunian's case on 2 September.

In addition, the current session will also listen to reports on conditions about the campaign against corruption and bribery; reports on the crackdown on economic crimes; reports on the execution of Guangdong Province's national economic plan and budget in the first half of the year; and arrangements and measures taken in the second half of the year. The session will last six days.



### Hainan Secretary Discusses Cultural Market

HK3008123089 Haikou Hainan Provincial Service  
in Mandarin 1000 GMT 29 Aug 89

[Excerpts] The provincial party committee and the provincial government yesterday evening convened a provincial telephone conference on screening and straightening out the book, newspaper, periodical, and audio-visual products market. During the telephone conference, tasks were assigned to implement the spirit of the telephone conference sponsored by the CPC Central Committee and the State Council on 14 August, and to launch an operation to screen and straighten out the book, newspaper, periodical, and audio-visual products market.

The telephone conference was presided over (Yang Shuhong), director of the Propaganda Department of the provincial party committee and deputy head of the provincial leading group for screening and straightening out the book, newspaper, periodical, and audio-visual products markets. Xu Shijie, secretary of the provincial party committee, and Xin Yejiang, vice governor and head of the provincial leading group for screening and straightening out the book, newspaper, periodical, and audio-visual products market, attended and addressed the telephone conference. [passage omitted]

In his speech, secretary of the provincial party committee Xu Shijie noted: The general operation to screen and straighten out the book, newspaper, periodical, and audio-visual products market is an important political task for the whole party and the whole society. Party and government leaders and organs concerned at all levels must strengthen leadership over this operation, closely cooperate with each other, and take all supporting measures. In the anti-pornographic struggle, we must draw a clear demarcation line between right and wrong, resolutely implement the policy, ban whatever should be banned, and support whatever should be supported. [passage omitted]

Present at yesterday evening's meeting were leading comrades of the departments concerned directly under the provincial authorities; members of the provincial leading group for screening and straightening out books, newspapers, periodicals, and audio-visual products; party and government leaders of all cities and counties; and responsible comrades of other departments concerned.

### JINGJI RIBAO Views Hainan Land Leasing

HK3108043189 Beijing JINGJI RIBAO in Chinese  
10 Aug 89 p 2

[Article by Luo Ping (5012 1627) and Ye Yan (0673 4282): "This Is Another Option—Notes on Leasing Land in Hainan Province's Yangpu Harbor Development Zone"]

[Text]

#### I.

Hainan Province is planning to lease some 30 square km of land adjacent to Yangpu Harbor.

Hainan's decision has evoked a lot of controversy among all those concerned about Hainan's development and construction. So far, the following two questions have become the most controversial regarding Hainan's decision:

- Will Hainan's decision result in the creation of a new concession on Chinese territory?
- Will long-term, large-scale, and low-rent leasing of land in Yangpu be conducive to the economic development of Hainan Province?

#### II.

Hainan has the smallest land area among all the Chinese provinces. Over 6 million people live on some 34,000 square km of land. Because Hainan has a damp and hot tropical climate and does not experience frost or snow a variety of tropical economic crops, southern medicinal herbs and precious timber can be grown there. Hainan also has over 30 types of mineral resources of a high industrial value, more than 60 harbors awaiting further development, and some 88,000 square miles of fishing grounds.

Nonetheless, in 1986 the total industrial and agricultural output value of Hainan, which is regarded as a future star in the Western Pacific Rim, was only 5 billion yuan. The per capita GNP was 744 yuan in 1986, only 83 percent of that for the whole country which was 893 yuan, and one-sixth of Hainan's population still live in poverty. Hainan's financial income still falls short of expenditures, and each year the state has to provide some 400 million yuan in subsidies.

In 1988, Hainan's financial income was 420 million yuan whereas expenditure was 920 million yuan, and the state also allocated some 275 million kg of grain to the province. The development of Hainan's energy, communications, and telecommunications industries now calls for increased investment. In 1986, the Chinese Ministry of Communications began building three berths and a harbor-linking highway in Hainan and has thus far invested a total of 180 million yuan in these projects, all of which are still under construction.

Shortage of funds is the main obstacle obstructing the realization of the "Hainan Dream."

The strategic goal of Hainan's development is to raise per capita GNP to \$2,000 or more within a period of 20 years. This is a standard equivalent to Taiwan in the early 1980's.

In the report which first put forward the strategic goal of Hainan's development on the basis of a comprehensive scientific survey and demonstration, the experts concerned pointed out: At present, Hainan still has a rather weak industrial base and infrastructure, and is still seriously lacking in funds. In order to attain the strategic



goal of its development, Hainan Province needs a total investment of 200 billion yuan, or some 13 billion yuan annually.

Where can Hainan get 200 billion yuan worth of investment? Will the state be able to provide such a huge amount of funds? Every year, the state provides a low-interest loan of only 200 million yuan. Can Hainan take the same road as Shenzhen? Since Hainan is much bigger and poorer than Shenzhen, and is not in close proximity to Hong Kong or Macao, it is impossible to accumulate funds for its initial development by developing the "three forms of import processing and compensation trade" as Shenzhen and other special economic zones have done.

The experts concerned held that Hainan should try to attract foreign funds and carry out large-scale development and comprehensive compensation trade. This means that on the premise that China still maintains sovereignty, Hainan should allow foreign businessmen to contract large stretches of land, and correspondingly grant the right of land utilization with compensation to foreign businessmen according to their actual needs. This will enable Hainan to build more projects on its land and acquire more foreign investment and better economic results through its low-rent leasing of land. In 1988, the State Council gave the go-ahead, but asked Hainan to carry out some experiments in this regard first.

As a result, Hainan has decided to carry out its first experiment in Yangpu.

### III.

Yangpu is in Danxian County in the northwestern part of Hainan Province, some 200 km from Haikou City. Because the Wuzhi Mountain blocks the incoming water vapor from the sea, Yangpu's climate is extremely dry. Annual rainfall is only 1,200 mm, whereas the annual water evaporation is 1,900 mm. The total population of Yangpu is 23,000, most of whom are currently engaged in the fishing industry.

Of the 30 square km of land in Yangpu to be leased, an area equivalent to some 45,000 mu, only 13,000 mu is arable land (of which over 900 mu is rice fields) and the remainder of over 30,000 mu is stony land. If infrastructural construction like the "seven communications and one leveling" were carried out on this land, every square km of land would need investment of 200 to 250 million yuan. Therefore the exploitation and development of these 30 square km would need at least 6 billion yuan.

Nevertheless, Yangpu is rich in land resources, and the land foundation is good and suitable for the construction of big projects. The areas adjacent to Yangpu are very rich in natural gas and petroleum. Yangpu is also near a saltern and an iron-sand mine, and is suitable for the construction of some heavy industrial chemical, salt

processing, and building material projects. Yangpu itself is the most promising deepwater harbor in Hainan Province.

Yangpu began attracting foreign investors by offering them preferential treatment. When Japan's Wan Hong [0029 4767] Company, Hong Kong's Fu Li [0154 0448] Company, and some U.S., British, and Canadian companies held back in the face of the huge investment needed and Yangpu's poor investment environment, the Kumagai Gumi (Hong Kong) Company Ltd expressed an interest in making an investment in Yangpu. Later, Kumagai Gumi (Hong Kong) Company Ltd signed an agreement with Hainan which stipulated that: The rent would be 2,000 yuan per mu and the lease would be for 70 years; the investors must observe Chinese laws and regulations; Hainan Province will draft regulations governing the development of the Yangpu Economic Development Zone; public security organs, customshouses, procurators' offices, judicial organs, revenue departments, and other departments under China's sovereignty and which are functions of the Chinese Government will remain under the jurisdiction of Hainan Province; all government organs in Yangpu will be streamlined to meet the needs of this change; and that Hainan Province will have the right to encourage, restrict, or prohibit projects the foreign investors intend to build in Yangpu according to its own development plans and policies.

### IV.

China's economic circles carried out scientific feasibility studies of the "Yangpu Model," which is characterized by "unified planning, large-scale development, phased implementation, and project-related land development."

On leasing the land in Yangpu for development, the Kumagai Gumi (Hong Kong) Company Ltd will be granted the right of land utilization, operation, and management. However, all government functions concerning China's sovereignty, like the examination and approval of projects to be built in Yangpu, will remain the responsibilities of Hainan Province. Moreover, the right of land operation herein granted to the Kumagai Gumi (Hong Kong) Company Ltd is not extended to cover any underground mineral resources discovered in the process of Yangpu's development.

—The headquarters of the Kumagai Gumi (Hong Kong) Company Ltd, which sounds exactly like a Japanese enterprise, is in Japan. Nevertheless, Japanese capital accounts for only 35 percent of the total capital of the Kumagai Gumi (Hong Kong) Company Ltd, whereas the Overseas Chinese funds account for some 60 percent of the total. Mr Yu Yuanping, Kumagai Gumi (Hong Kong) Company Ltd general manager, has already contracted projects for the Jingguang Building, the Wangfu Hotel, and some other projects in China.

—The large-scale lease of land in Yangpu has been determined by the scale of Yangpu's development.

The 70-year leases in Yangpu have been determined by the huge amount of investment needed for development and the extended period necessary to recover both the principle and the interest on such huge amounts of investment. The State Council has already authorized Hainan Province to grant the 70-year right of land utilization to the Kumagai Gumi (Hong Kong) Company Ltd.

According to preliminary estimates, in the process of Yangpu's development, the Chinese side is expected to gain more than 3.4 billion yuan through taxation and labor services and collection of maintenance and contractor fees. When the Yangpu Economic Development Zone is built, the industrial output value is expected to reach some 20 billion yuan, from which the Chinese side will gain sizable revenue.

The Yangpu Economic Development Zone will be able to employ 200,000 to 300,000 people. This will certainly push ahead the industrial and agricultural development of Yangpu and its adjacent areas.

In the process of large-scale development of Yangpu by foreign investors, the Chinese side will not have to shoulder any risks. Instead, the Chinese side will be able to learn managerial skills from developed foreign countries and import advanced foreign technologies.

The practice of letting foreign investors carry out land management of a service nature will be conducive to creating an investment environment in which foreign investors will feel at home. The practice of doing things in accordance with international conventions will also help to attract more foreign funds to Hainan. Once the "seven communications and one leveling" are accomplished and the investment environment is improved in this 30 square km of land, Yangpu will be able to attract foreign investment totaling \$6 to \$10 billion.

Because Yangpu is the first experimental site in Hainan, Japanese, U.S., and European financial groups have been keeping a close watch on the Yangpu experiment and on how the Kumagai Gumi (Hong Kong) Company Ltd carries out its plan in Yangpu. It is precisely because Kumagai Gumi (Hong Kong) has decided to invest in Yangpu that Swedish and French companies decided to invest in the Phoenix International Airport project in Sanya, Hainan Province.

Some economic experts happily said that land in Yangpu is now full of vitality.

#### V.

Controversy over the leasing of land in Yangpu is gradually dying out. Answering a reporter's question during his visit to Japan this April, Chinese Premier Li Peng said: China has formulated a relevant law governing the leasing of land in Hainan Province.

Mr Yu Yuanping, general manager of Kumagai Gumi (Hong Kong), said that his company will try to have

smoke coming out of the factory chimneys in Yangpu within 3 years, and complete the construction of all major projects within 5 years to eventually enable Yangpu to become a harbor city with an annual heavy chemical industrial output value of 20 billion yuan.

#### Henan Leaders Praise Model Workers

HK3108075989 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 29 Aug 89

[Excerpts] The deafening sound of gongs and drums, flowers, and laughter added to the joyous atmosphere inside and outside the Henan People's Hall today. A Henan provincial meeting to commend advanced collectives and model workers is being held here. At 0830, principal party, government, and army leading comrades of Henan Province gathered in front of the hall to warmly welcome more than 700 representatives of advanced collectives and model workers from all walks of life throughout the province. [Passage omitted]

Provincial party, government, and army leading comrades attending the meeting are: Yang Xizong, Cheng Weigao, Zhao Di, Yao Minxue, Hu Xiaoyun, Lin Yinghai, Lin Xiao, Yan Jimin, Han Jingcao, (Yin Guoqing), Zhang Zhigang, Hou Zhiying, Song Zhaosu, (Liu Guangxiang), Yue Xiaoxia, Cui Guanghua, (Yuan Long), (Hu Shaokui), Guo Peijun, Fan Lian, Hu Tingji, Zhao Wenlong, Hu Tiyan, (Yan Youtian), Zhao Zhengfu, (Wei Xingong), Dong Mingsheng, Zuo Mingsheng, (Fan Zhongshan), (Hou Jiaji), Liu Yujie, and (Wang Mingzhou).

Present at the meeting by special invitation are Zhao Wenfu, Song Yuxi, (Han Jianzhi), Zhu Chao, (Zhang Guowei), (Cui Huizheng), (Hu Beifei), (Ding Shouyue), and (Li Xuesi).

The responsible comrades from a certain air force unit stationed in Henan and provincial Armed Police Force units are also attending the meeting.

Also present at the meeting are some Guards of the Republic and the family members of martyrs conferred with the title Guard of the Republic, including (Shen Yuntian), (Zhou Jiashu), (Ma Tenglong), and (Man Yumei), and representatives of supporting-the-army models.

The meeting is being presided over by Vice Governor Hu Xiaoyun.

[Begin recording] [Unidentified announcer] The Henan provincial meeting to commend advanced collectives and model workers is now open. [End recording]

Vice Governor Song Zhaosu delivered an opening speech. [passage omitted]

Addressing the meeting, the provincial party committee Secretary Yang Xizong said: This meeting gives us an opportunity to review the province's achievements in developing the two socialist civilizations, and also serves

as a gathering which will mobilize our people to work harder and push ahead the reform, opening up, and development in all other fields. The model workers present at this meeting have not only created great material wealth for society, but have also played a part in fostering a fine general social mood and set themselves up as good examples in promoting spiritual civilization. Particularly during the struggle to check turmoil and quell the counterrevolutionary rebellion, they held to a firm stand and steadfastly kept in line with the CPC central authorities, thus making their due contributions to stabilizing the overall situation in the province. [passage omitted]

During the meeting Governor Cheng Weigao briefed participants on the current situation in the province and on the present tasks. He also voiced his hopes and put forward several requirements.

Cheng Weigao said: At present, the overall situation in the province is good. Over the past few months, party committees and governments at all levels, and all the people in Henan, have resolutely responded to the call by the CPC central authorities, taken a clear-cut stand in opposing and checking turmoil, and maintained stability in most areas of the province. They have earnestly implemented the principle of improving the economic environment, rectifying the economic order, and deepening the reform; overcome all kinds of difficulties; and have done their part in ensuring a continuous and steady economic development. Thanks to their efforts, progress has been made in all sectors.

He said: For the present we must: Study to have a more thorough understanding of the documents from the 4th Plenary Session of the 13th CPC Central Committee and especially the spirit of Comrade Deng Xiaoping's important speeches; seek a common understanding on the basis of the spirit of the fourth plenum and Comrade Deng Xiaoping's speeches; and we must keep closely in line with the CPC central authorities. On the other hand we must follow the unified guidance of the central authorities and the provincial party committee, strengthen leadership, enhance our understanding, and resolutely carry out a thorough screening and weeding operation. [passage omitted]

### Southwest Region

#### Tibet's Hu Jintao Urges Price Control

*HK3108030189 Lhasa Tibet Regional Service  
in Mandarin 1030 GMT 30 Aug 89*

[Excerpts] Hu Jintao, regional party committee secretary, delivered an important speech at the second regional work conference on prices held in Lhasa on 29 August.

Comrade Hu Jintao first affirmed the achievements and contributions made by comrades working on the price front in controlling and keeping prices stable under the

leadership of party committees and governments at different levels in the spirit of the 3d and 4th Plenary Sessions of the 13th CPC Central Committee. [passage omitted] He emphasized that controlling prices and keeping them stable is a matter of common concern to the masses of the people, because it is related to the vital interests of every household, cadre, worker, and person, and is of vital importance to the nation's economy and social stability. This is a political as well as an economic problem. We must therefore attach great importance to it and should not treat it lightly. Comparatively speaking, it is harder in Tibet than in other provinces and regions to control and keep prices stable. Leading comrades at all levels must have a clear understanding of this point and adopt effective measures to firmly keep prices under control.

Comrade Hu Jintao also set some concrete demands on the work of controlling prices. He said the key to controlling prices lies in strengthening leadership. [passage omitted] Then, efforts must be made to ensure effective supply. [passage omitted]

In conclusion, Comrade Hu Jintao called for making continuous efforts to tighten control and supervision over prices and to reinforce the contingent of workers engaged in price work.

#### Secretary He Zhiqiang on Yunnan Nationality Work

*HK3008102189 Kunming Yunnan Provincial Service  
in Mandarin 1200 GMT 29 Aug 89*

[Excerpts] The provincial conference on nationality work and the second conference to commend progress in the unity of nationalities held a meeting yesterday morning. Yin Jun, provincial party committee deputy secretary, presided over the meeting.

He Zhiqiang, provincial party committee deputy secretary and governor, delivered a speech, entitled: Seriously Implement the Spirit of the Fourth Plenary Session of the CPC Central Committee, Really Step Up Nationality Work, and Promote Economic Construction in the Nationality Areas Even More Quickly.

In his speech, He Zhiqiang first said: The 10 years since the 3d Plenary Session of the 11th CPC Central Committee have been 10 years of rapid economic development in the nationality areas of our province. Last year, calculated on the basis of the constant prices in 1980, the gross industrial and agricultural output value in the autonomous nationality areas of our province amounted to 9.63 billion yuan, an average annual increase of 7.4 percent; and the social gross output value and national economy also increased by a wide margin. [passage omitted]

Comrade He Zhiqiang pointed out: For historical, social, and natural reasons; on account of work; and for many other reasons, the economic development in the nationality areas has lagged very far behind the demands of the party and state and the target expected by the people of



all nationalities. We must affirm our achievements, attach importance to difficulties, and make sustained and redoubled efforts to strive for even greater victory.

He Zhiqiang expounded on the significance of speeding up the economic development in the nationality areas. He said: Economic construction has always been the key point of the nationality work in our province, as well as the major task in the autonomous nationality areas. From the plane of completely implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee, strengthening the unity of nationalities, consolidating the border defense of our motherland, and pushing Yunnan modernization forward, we must fully understand the importance and urgency of speeding up economic construction in the nationality areas, and concentrate our energy to do well in grasping this major task.

He said: Multiple nationalities, vast autonomous areas, and abundant resources in the nationality areas are a main characteristic of Yunnan. Should the economic development in the nationality areas be in a backward state for a long period of time and should the natural resources be in a state of awaiting exploitation for a long period of time, it would be impossible for the whole province to develop steadily.

2. Accelerating the economic development in the nationality areas is the key to achieving the aim of lifting people out of poverty and making them rich. Moreover, accelerating the economic development in the nationality areas is an important material foundation for strengthening the unity of nationalities and stabilizing the borders. Our province has many nationalities, ranking first in the whole country in terms of diversity, while the population of the minority nationalities in our province ranks second. It is impossible that the differences among all nationalities will be eliminated in a short period of time. To make all nationalities prosperous together, it is necessary to vigorously develop the social productive forces.

He Zhiqiang emphatically pointed out: In the economic development in the nationality areas of our province, it is essential to adhere to regarding economic construction as the center, to adhere to the four cardinal principles, to adhere to reform and opening up, to integrate relying on the policies with relying on science and technology, to link developing the economy with exploitation and improvement, to integrate self-reliance with the state support, to lay a good foundation, to exploit resources, and to maintain coordinated economic and social development.

The provincial government has decided to adopt five important measures to speed up the economic development in the nationality areas:

1. It is necessary to completely carry out five plans for agricultural development. The five plans are: Southwest Yunnan carries out comprehensive development with developing grain production and tropical crops as the main work, and central Yunnan carries out intensive

development with raising per-mu yield as the key work; the plan for harnessing rivers and improving soil; the plan for science, technology, and finance; the plan for industrial development in support of agriculture; and the plan for greening.

2. It is essential to grasp the building of basic projects for energy and communications facilities vigorously and well.

3. It is imperative to carry out regional development and to speed up the industrial development in the nationality areas.

4. A large number of new chemical fertilizer and paper-making enterprises in the nationality areas must be built.

5. The nationality areas must further and extensively open to the outside world.

In conclusion, He Zhiqiang said: Accelerating the economic development in the nationality areas is the common desire of the people of all nationalities, as well as the glorious yet arduous task with which we are confronted. Under the concern of the CPC Central Committee and State Council and the state support and with the cadres and the masses continuously carrying forward the spirit of self-reliance and hard struggle, we shall surely push economic construction in the nationality areas of our province to a new stage.

## North Region

### Beijing's Li Ximing Attends Film Screening

SK3008125889 Beijing City Service in Mandarin  
0900 GMT 16 Aug 89

[Text] The first screening ceremony for the television film entitled "Review and Ponder Over the 50 Days," produced by the committee for the work of institutions of higher learning under the Beijing Municipal CPC Committee, was held at the office of the municipal CPC Committee this morning.

Entrusted by the State Education Commission, the television film was produced in line with the study materials for reviewing and pondering over the 50 days. In line with college students' ideology, the film used lots of facts to expound the reasons why the storm was unavoidable, why RENMIN RIBAO carried an editorial on 26 April, why the martial law was enforced, and why the central authorities used military force to quell the counterrevolutionary rebellion. The television film is 100 minutes long. With the focus on pondering, the film guides the students to think, draw lessons, study hard, and be qualified ordinary people so as to live up to the heavy trust of the party and the people.

Li Ximing, Xu Weicheng, Yuan Liben, and Li Zhijian attended the ceremony.



**Beijing Holds Seminar on Decreased Tourism***SK3008130989 Beijing City Service in Mandarin  
0900 GMT 13 Aug 89*

[Text] The seminar on coordination of 100 tourist enterprises ended on 12 August. Some experts and scholars pointed out in their speeches that so long as tourist enterprises enhance confidence, strengthen propaganda, and make great efforts to improve service quality, they will certainly revitalize tourism in Beijing and China.

They said in their speeches: A serious landslide has emerged in our tourism as a result of the turmoil and rebellion. We should set up our confidence in revitalizing our tourism. They said: The most favorable condition for revitalizing our tourism lies in the high attention of the party and the state in this regard. China has extremely numerous natural sights and places of historic interest and scenic beauty, which strongly attract foreign tourists. Recently, the number of foreign sightseers to China is relatively small. The reason for this is not that foreigners are reluctant to tour China, but is that they lack an understanding of China's situation. Therefore, we should strengthen propaganda in an effort to clear up their misunderstanding.

These experts and scholars also pointed out: The service level of tourist trade in China still lags behind that of some other countries. At present, we should seize the current opportunity to conduct a conscientious training and screening of workers and staff members on the tourist front in an effort to actually improve the service level.

**Beijing Works To Prevent Infectious Diseases***OW3008194089 Beijing XINHUA in English  
1528 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—Beijing will set up more monitoring stations for prevention of infectious diseases, a city leading official said here Tuesday.

As a move to this end, the city government will spread the content of an infectious diseases prevention law which is the fourth of its kind and is to become effective Friday among Beijing citizens, and let them know their responsibility in preventing infectious diseases, Vice Mayor He Luli said.

Several infectious diseases have been reported in the city this year though it made great achievements in controlling infectious diseases as smallpox, venereal disease, infantile paralysis, diphtheria, whooping cough and some other diseases in 1950's and 1960's.

In January-July this year, 23,800 cases of infectious diseases were reported, the incidence of scarlet fever and rabies has an apparent increase comparing with the same period last year, and more cases of virus hepatitis were reported in the city.

To improve the situation, the woman vice mayor said that detailed relevant rules and regulations to facilitate the implementation of the law would be worked out and various departments and organizations would be asked to join their efforts in implementing the law.

Governments at all levels should see to it that prevention measures be earnestly carried out, she added.

**Hebei Party Committee Plays 'Fortress' Role***HK2908145389 Beijing RENMIN RIBAO  
in Chinese 21 Aug 89 p 5*

[Article by Li Linyuan (2621 2651 3220): "The Power of a 'Fortress'—An Account of Actual Events in Party Building in the Coking Plant in Baoding Prefecture"]

[Text] The coking plant in Baoding Prefecture, Hebei Province, is a middle-sized industrial enterprises with more than 1,300 workers and staff. From 1984 to 1988, this factory steadily increased its economic returns and reaped taxable profits totaling 23.72 million yuan, ranking first in the amount of taxable profits among all industrial enterprises managed by the prefectural authorities. Cadres and workers in this factory are united and work with one heart and one mind, and they all cherish the enterprise and take it like their own family. The creation of such a favorable situation is attributed to the role of the factory party branch as a fighting bastion.

In a certain period after the manager responsibility system was adopted in factories and mines, many cadres responsible for the political work were shifted to administrative posts. As some cadres and workers said in joke, "one should rather bring a glass of water to the factory manager than run errands to death for the party secretary." As a result, party organizations became lax, and the ideological and political work was weakened. Chai Shengchen, the party committee secretary in the coking plant, was deeply concerned over that situation, and talked with factory manager Liu Zhi. Liu Zhi said: "A socialist enterprise must not deviate from a correct political course. No matter what economic changes there are, our plant must continue to consolidate the party organizations and strengthen the ranks of political cadres. If the party's leadership is weakened, the enterprise will certainly encounter disasters and will not maintain good economic results, even though production may be increased for a time." Liu's remarks suited what Chai Shengchen thought, and the two people smiled at each other.

Shortly after that, the factory party committee made a decision to consolidate the party organizations and strengthen the ranks of political cadres. Full-time party branch secretaries were appointed in all the six major workshops. The size of the functional organs of the party committee was not reduced; instead, a new section, propaganda and education section, was set up. More than 20 comrades in their prime who had political integrity and good educational background were transferred to the posts

responsible for political work. This ensured the continuation of the party's work and functions.

In the past few years, the party organization in the coking plant established and perfected the system for the democratic assessment of party members, the system for regular meetings of the party committee members, the system for examining activists who apply for party membership, and the procedures for guaranteeing and supervising the work of the party committee. This brought party construction onto a regular and systematic course, and raised the work efficiency of the party committee. Party members were regularly organized to study basic party knowledge, Marxist philosophy, scientific socialism, political economy, and modern management science with their routine duties being temporarily suspended. These systems and measures raised the quality of the party members, strengthened their party spirit, ensured the party's leadership in the enterprise, and also checked the emergence of various corrupt phenomena. Over more than 5 years, only two mid-level party cadres were penalized for violating finance discipline and embezzling public materials, all more than 50 cadres at and above the middle level were honest and upright and could stand the tests under the new situation of reform and opening up.

As the party organization became stronger in its fighting capacity, the ideological and political work in the whole factory was also carried out vigorously. To support the manager responsibility system, the party committee in the factory set up a committee for guiding the ideological and political work, with the factory manager being head of this committee and party committee secretary being deputy head. Responsible cadres of the party organization, factory management, trade union, and youth league were also members of this guiding committee. Correspondingly, ideological and political work guiding groups were also set up in all workshops. Thus, administrative cadres also directly took charge of the ideological and political work, and political cadres became a backbone force in the ideological and political, and all party and youth league members made contributions to the ideological and political work too. Under this new structure, the ideological and political work penetrated every link of production and business management. Since 1986, the factory management has not only organized vocational and technical training for workers, but has also conducted ideological education on the "lofty ideal, moral integrity, and discipline" among the workers, thus cultivating a team spirit in the enterprise. The factory management has also guided workers to discuss why workers' benefit and honor were closely linked to the achievements of the enterprises so as to arouse the sense of honor and the work enthusiasm among cadres and workers, and to really establish the sense of responsibility as masters of the enterprises. In early 1988, the factory faced a serious shortage of working funds. The workers then voluntarily raised 2.4 million yuan among themselves to maintain routine operation and to meet the pressing financial need. In the

past 2 years, the coking plant produced more than 120,000 tons of high-quality coke, and the output exceeded the designed capacity by 20 percent. The output of more than 10 chemical products was kept at a high level. In the activities of "rendering meritorious contributions," 71 collectives and 325 individuals were commended and awarded.

At present, cadres and ordinary workers of the coking plant care for each other, understand each other, and respect each other. This has become a general atmosphere in the plant, and many moving deeds have emerged among the working masses.

### Reportage on Activities of Hebei's Xing

#### Speaks on Turmoil, Correctives

SK2808084089 Shijiazhuang HEBEI RIBAO  
in Chinese 6 Aug 89 p 1

[Text] After hearing the reports of Baoding Prefecture and Baoding City on implementing the guidelines of the 4th plenary session of the 13th party Central Committee on 3 August, Xing Chongzhi, secretary of the provincial party committee, stressed that party organizations at various levels should continue to firmly attend to the study of the documents adopted at the fourth plenary session, the improvement of administrative honesty, the reform work, the opening to the outside world, the improvement of the economic environment, and the rectification of the economic order.

Xing Chongzhi said that we should concentrate our efforts on unifying the thinking of the whole party and the whole people to implement the guidelines of the fourth plenary session. In the preceding stage, all localities throughout the province generally relayed and studied the guidelines of the fourth plenary session, and made proper achievements in this regard. However, we should go through a process and exert great efforts to truly unify our thinking with the guidelines of the documents adopted at the plenary session. Some comrades fail to completely understand the inevitability of the occurrence of the turmoil and the counterrevolutionary rebellion and the correctness of the central authorities' measures. They talked this way at meetings and that way on other occasions just because their ideological knot has not completely been untied. We should concentrate efforts on solving the problem in this regard. Organizing training courses for party members and cadres is a good method. In the course of study, we should advocate saying what is in our minds and proceed from reality to truly unify our thinking with the guidelines of the central authorities. While studying the documents adopted at the fourth plenary session, we should study the basic principles and views of Marxism-Leninism-Mao Zedong thought. Through study, we should improve ideological and theoretical work and upgrade the basic quality of the ranks of cadres.

The solution of ideological problems should be linked with the rectification of organizations. We should conscientiously check the people who joined and publicly supported the turmoil and the counterrevolutionary rebellion, and the people with bourgeois liberalization thoughts during ordinary times. Such kinds of people should be handled according to the party's policies and their particular conditions. Some of them can not hold the leading posts, some are unable to be party members, and some cannot stay at key departments.

Xing Chongzhi pointed out: In the last few years, some cadres and party members failed to meet the tests and veered toward corruption, and some even committed crimes due to ignoring the party building and weakening the ideological and political work under the influence of the thinking of bourgeois liberalization and the corrosive influence of the negative factors of the commodity economy. The problems in this regard must not be underestimated. The problems related to some units and some people are considerably serious. The key to solving the problems hinges on leaders. To achieve the improvement of administrative honesty, we should attend to the work as follows: 1) Leading cadres at various levels should truly play an exemplary role in maintaining administrative honesty. We should conduct general education on maintaining administrative honesty among cadres. It is necessary to set up an effective supervisory and guaranteeing measures. Gaocheng County's "two-pubcity and one-supervision system" and Baoding City's "internal restriction system" are coordinated and effective measures and ways to improve administrative honesty. Their experiences should conscientiously be popularized. 2) Leading cadres at various levels should be brave and true in checking and managing problems of administrative dishonesty. The problems, once discovered, should immediately be attended to, checked, and solved one after another. In handling problems, we should strictly enforce law and discipline and must not be soft-minded so as to ensure that the law breakers and discipline violators lose both fame and wealth. The people with problems should be handled in the course of investigations. Some of them should first be removed from their posts and then be handled after full investigations.

In waging the struggle against corruption, leading organs should systematically study problems. According to different actual conditions, each department should handle a case at least. At the time of handling cases, we should pay attention to the setup of systems.

Xing Chongzhi said: The policies of reforms and opening to the outside world must not be shaken. We must not attribute the problems to reforms and the opening to the outside world. The reform work has not been overdone but was not done nearly enough. Some successful experiences in reforms, such as the implementation of the contracted management system and the plant director responsibility system should be persisted in. At the time of persisting in the systems, we should make efforts to improve them. We have not talked about the class struggle over the last few years. This is wrong. However,

we must not return to the old path of taking the class struggle as a key link. The leadership of the party was weakened and must consciously be strengthened. However, in strengthening the leadership of the party, we must not go back to the way of party committees taking on everything. The ideological and political work has been weakened and should be intensified. However, we must not advocate that spirit is all-powerful. The basic line is a focus and two basic points. To comprehensively understand the basic line, we must not grasp one at the expense of the other. Political orientation will be lost if the foundation for building the country is discarded. If we do not keep to the road of making China strong, it will be impossible for us to extricate ourselves from poverty. Comrade Deng Xiaoping said that the work of reforms and opening to the outside world has not been overdone but was not done nearly enough. Specific policies and regulations on reforms and opening the country to the outside world should be pursued except when the central authorities and the province make new regulations.

Xing Chongzhi urged that the prefectural and city party committees and governments should constantly attend to the key link of economic construction and ensure that there will no economic slide. The key to improving administrative honesty, opposing corruption, and attending to ideological and political work hinges on arousing the broad masses of the cadres and people's enthusiasm, promoting economic construction, and making the people rich and the country strong. Therefore, administrative and economic departments should concentrate efforts on pursuing economic work. According to the local conditions, all prefectures and cities should work out reasonable fighting goals, maintain a steady growth of economic results, and strive for an appropriate economic growth rate. In economic construction, we should consciously attend to improving the economic environment and rectifying the economic order. All enterprises, particularly individually-owned industrial and commercial enterprises, should attend to squaring accounts. Departments concerned should conscientiously investigate and handle the problems concerning false accounts. Tax departments at various levels should intensify tax revenue work and thoroughly solve problems concerning tax evasion.

### Receives Central Report Group

SK3108041789 Shijiazhuang HEBEI RIBAO  
in Chinese 12 1 1 2 1

[Excerpts] The six-member group of reporting the heroic deeds scored by the People's Liberation Army [PLA] units and the Armed Police Forces in quelling the counterrevolutionary riot in Beijing municipality arrived in the city of Shijiazhuang by train at 1600 on 11 August. The leading comrades of the province and Shijiazhuang City cordially received the report group. [passage omitted]



Upon its arrival, the report group was greeted at the railway station by the leading personnel of the province and Shijiazhuang Prefecture and City.

At 1700 that day, coming to the place where the report group is staying to cordially meet the heroes and models were leading comrades from the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial People's Government, the provincial Chinese People Political Consultation Committee, and the provincial Military District, including Xing Chongzhi, Li Wenshan, Yue Qifeng, Lu Chuanzan, Yang Zejiang, Bai Shi, Liu Ronghui, Chen Yujie, Wang Youhui, Wang Shusen, Wang Enduo, Zhang Zhiqian, Hua Binglai, and Huang Hongqin; as well as responsible comrades from the provincial Public Security Department, the provincial Armed Police Force, and the Shijiazhuang Prefectural and City party committees. During the gathering which was filled with cheerful and enthusiastic atmosphere, Comrades Xing Chongzhi, Li Wenshan, and Yue Qifeng repeatedly extended warm welcome and heartfelt appreciation to the report group. Xing Chongzhi stated that the PLA officers and soldiers, the commanders and fighters of Armed Police Forces, public security cadres and policemen, and the people in Beijing municipality had made remarkable contributions and scored immortal deeds in the struggle which had saved the fate of the country and the Chinese nation. The victory of quelling the counterrevolutionary riot has first benefited the province of Hebei and enabled it to have a stable environment in building the four modernizations, to further uphold the four cardinal principles and oppose bourgeois liberalization, and to achieve smooth progress in upholding the work of conducting reform and opening to the outside world. Although we have understood the basic situation in quelling the counterrevolutionary riot in Beijing municipality through the mass media, we still want to further receive education from the reports which will be given by the heroes and models in introducing their personal experiences gained in the struggle. The leading personnel of the province stated that the heroic deeds scored by the heroes and models had extremely encouraged the people throughout the province and represented a tremendous support to the province's work. [passage omitted]

After the gathering, the leading comrades of the province and Shijiazhuang Prefecture and City had a group photo taken for the occasion with all members of the report group.

#### **Attends Propaganda Meeting**

SK3108042589 Shijiazhuang HEBEI RIBAO  
in Chinese 11 Aug 89 p 1

[Excerpt] The provincial propaganda work conference to further study and implement the guidelines of the 4th plenary session of the 13th party Central Committee, to relay and implement the guidelines of the national

conference of propaganda department directors, and to define the principles and tasks for the propaganda and ideological work opened in Shijiazhuang City on the morning of 10 August.

Present at the conference were responsible comrades of the provincial party committee, including Xing Chongzhi, Li Wenshan, Lu Chuanzan, and Liu Ronghui.

The conference was sponsored by the Propaganda Department of the provincial party committee according to the decision of the provincial party committee. The main subjects for discussion at the conference are to relay and implement the guidelines of the national conference of propaganda department directors, to discuss and study ways for implementing the guidelines of the fourth plenary session and the seventh enlarged plenary session of the third provincial party committee throughout the province, to attend to the current propaganda work, and to make new progress in the work in the provincial ideological field. Present at the conference were 148 people, including secretaries in charge of the propaganda work and directors of the propaganda departments from the prefectural and city party committees, the party committee of the Huabei oilfield, the party committee of the Shijiazhuang Railway Sub-bureau, and the work committee of provincial-level organs; directors of the prefectural and city cultural bureaus and radio and television bureaus; presidents of party schools; chief editors of newspaper offices; and responsible comrades of the provincial People's Congress Standing Committee, the provincial government, the provincial Committee of the Chinese People's Political Consultative Conference, the provincial Military District, the provincial Trade Union Council, the provincial Communist Youth League Committee, the provincial Women's Federation, and the provincial-level press, publication, and literary and art units.

Xing Chongzhi, secretary of the provincial party committee; and Lu Chuanzan, deputy secretary of the provincial party committee, made speeches at the conference. Liu Ronghui, Standing Committee member of the provincial party committee and director of the Propaganda Department, presided over the conference and relayed the guidelines of the national conference of propaganda department directors. Zhou Shenming and Zhang Peilin, deputy directors of the Propaganda Department of the provincial party committee, relayed the documents adopted at the national conference of propaganda department directors. [passage omitted]

#### **Visits Dying Party Veteran**

SK3008131289 Shijiazhuang HEBEI RIBAO  
in Chinese 13 Aug 89 p 1

[Excerpts] At 0710 on the morning of 12 August, the Bethune International Peace Hospital in Shijiazhuang City sadly declared that Rong Guanxiu, the CPC's outstanding party member, who was well known by the Armed Forces as the "mother of the people's own Army", died of illness. She was 93 years old.



The native place of Comrade Rong Guanxiu is the Xiapansong village of Pingshan County. She joined the CPC in 1938 and was commended as the "mother of the people's own Army" by the Jin-Cha-Ji border regional government and the Jin-Cha-Ji Military Region in 1944. Comrade Rong Guanxiu made prominent contributions to the revolution during wartime. After the founding of the PRC, she was a deputy to National People's Congresses from the First to the Fifth, a delegate to the third and fourth national women's congresses, and a member of the executive committee of the fourth congress of the National Women's Federation. She, on behalf of the region of northern China, attended the first session of the National Chinese People's Political Consultative Conference and the national conference of labor models in 1950. [passage omitted]

Over the past few years, leading personnel of the party, government, and Army organs of the province, Shijiazhuang City, and Pingshan County have shown great concern for the health of Comrade Rong Guanxiu. She entered the International Peace Hospital in 1987. During her stay in the hospital, many leading personnel at all levels visited the hospital to extend words of comfort to her. [passage omitted]

Since 7 August, many leading personnel from the organs of the province, the prefecture, the provincial Military District, and the military sub-district, including Xing Chongzhi, Li Wenshan, Yue Qifeng, Lu Chuanzan, Liu Ronghui, Chen Yujie, Wang Dongning, Bao Shi, Du Benjie, Wang Manqiu, and Fu Liang, have visited the hospital to find out about her condition and to ask the medical personnel to carefully take care of her and to try as best they could to save her. The medical personnel did their best in giving her treatment or emergency treatment.

A service for paying last respects to the remains of Comrade Rong Guanxiu will be held in the funeral parlor of Shijiazhuang City at 0930 on the morning of 22 August.

#### **Inner Mongolia Secretary Attends CYL Meeting**

SK3008124789 Hohhot NEIMENGGU RIBAO  
in Chinese 13 Aug 89 p 1

[Text] The autonomous regional committee of the Communist Youth League [CYL] held an (enlarged) Standing Committee meeting from 9 to 11 August. The meeting earnestly reviewed the previous CYL work of the region and put forward the major work tasks for the present and for near future.

At the meeting, the participants thoroughly studied and discussed the major guidelines of the 4th plenary session of the 13th party Central Committee, the 8th (enlarged) plenary session of the 4th autonomous regional party committee, and the (enlarged) Standing Committee meeting of the CYL Central Committee, summarized the achievements and mistakes in the previous CYL work and, based on the characteristics and actual conditions of our region, put forward the work tasks for the present

and near future. The tasks are to conscientiously study and understand the guidelines of the fourth plenary session of the party Central Committee, with unifying thinking as the purpose; to strive to strengthen the ideological and political work of CYL organizations, with the four cardinal principles as the prerequisite; to actively promote reform and opening up and the work of maintaining honesty in one's official duty, with economic development as the focus; and to further step up efforts to reform and improve CYL organizations and unite with and lead the CYL members and other youths of various nationalities throughout the region to carry out hard struggles, achieve progress bravely, and make down-to-earth contributions to comprehensively fulfilling the four important tasks set forth at the fourth plenary session of the party Central Committee and the three short-range fighting goals of our region, with comprehensive performance of the three social functions of the CYL as the guidance.

During the meeting, Wang Qun and Qian Fenyong attended to hold cordial discussions with the participants. They gave important instructions on ways to further study the guidelines of the fourth plenary session of the party Central Committee, intensify the ideological and political education among youths, and strengthen the CYL work. They also urged CYL organizations to become better assistants and reserve forces of the party.

The meeting also made a "decision on launching activities to learn from Li Guorui, 'guard of the Republic' among CYL members and other youths of various nationalities throughout the region."

#### **Inner Mongolia's Wang Visits Report Team Members**

SK2908024189 Hohhot Inner Mongolia Regional Service  
in Mandarin 1030 GMT 28 Aug 89

[Text] The first sub-team of an eight-member group to give reports on the deeds of heroes and models in suppressing the Beijing counterrevolutionary rebellion arrived in the regional capital of Hohhot this afternoon.

Leaders of the regional party and government organs, including Wen Jing and Liu Yunshan, and responsible comrades of the Propaganda Department of the regional party committee, the Political Department of the Inner Mongolia Military District, the Inner Mongolia Armed Police Force, the regional Public Security Department, and Hohhot City, greeted the group at the railway station and warmly welcomed them to give reports on the deeds of heroes and models in suppressing the rebellion.

The leader of the first sub-team of the group to give reports on the deeds of heroes and models in suppressing the rebellion in our region was Colonel (Gui Wantong), vice chairman of the political department of a certain unit of the martial law enforcement troops. The members included First Lieutenant (Zhong Hongbin), secretary in charge of the political section of a unit of the martial law enforcement troops; Captain (Li Fazhuang), leader of a company of an Army unit of the martial law

enforcement troops, and deputy instructor of the first detachment of the Beijing Armed Police Force; (Ma Xiaoming), a student of the No 140 middle school in Beijing City; and (Gu Jie), a policeman of the Tiananmen police station of the (Zhongcheng) public security sub-bureau of the Beijing City Public Security Bureau.

At 1730, leading comrades of the regional party committee, the regional Advisory Commission, the regional Discipline Inspection Commission, the regional government, the Inner Mongolia Military District, and the regional committee of the Chinese People's Political Consultative Conference, including Wang Qun, Bu He, Qian Fenyong, Zhou Rongchang, Ma Zhenduo, Liu Yunshan, Yang Enbo, Hao Xiushan, Geriletu, Pei Yingwu, Fang Chenghai, and Baoyanbatu, went to the dwelling place of the report group to visit all group members who gave reports on the deeds of heroes and models in suppressing the rebellion and to extend a warm welcome and lofty respects to the group members.

After the meeting, leading comrades posed for a group photo with all group members.

#### **Inner Mongolia Appoints City Chief Procurators**

SK2808042089 Hohhot NEIMENGGU RIBAO  
in Chinese 1 Aug 89 p 1

[Personnel changes approved at the seventh Standing Committee meeting of the seventh Inner Mongolia Autonomous Regional People's Congress on 31 July]

[Text] Appointments of Zhang Fengchun [1728 6646 2504] as chief procurator of the Wuhai City People's Procuratorate, and Wen Da [2429 6671] as chief procurator of the Hohhot City People's Procuratorate, and dismissal of Bao Pengfei [7637 7720 7378] as chief procurator of the Chifeng City People's Procuratorate were approved.

#### **Inner Mongolia Combines Four Associations**

SK2908002789 Hohhot MEIMENGGU RIBAO  
in Chinese 6 Aug 89 p 1

[Text] The regional party committee and government have decided to readjust and combine the members of four organizations, including the regional People's Association for Friendship with Foreign Countries, the regional branch of the China-USSR Friendship Association, the Chinese-Mongolian Friendship Association, and the Inner Mongolian Chapter of the Chinese International Cultural Exchange Center.

This decision was announced by Wen Jing, member of the Standing Committee of the regional party committee and vice chairman of the regional government, at a meeting of regional Association for Friendship with Foreign Countries on the morning of 4 August. Bu He, chairman of the regional government, stressed: It is hoped that all members of the regional Association for

Friendship with Foreign Countries would exert joint efforts, work in coordination, display their own role, further carry out the work of the regional Association for Friendship with Foreign Countries, and make great efforts to invigorate Inner Mongolia, and to realize our region's three immediate fighting objectives. Comrade Bu He said: The Association for Friendship With Foreign Countries is a nongovernmental mass organization. Under the leadership of the party and the government, it has implemented our country's foreign policies, and carried out nongovernmental friendly activities with foreign countries, by coordinating its work with the foreign affairs of the government and through popular channels, in an effort to promote mutual understanding and friendship between the peoples of China and other countries, to safeguard state security and the interests of the nation, to support the just struggle of the peoples of various countries, to oppose hegemonism, to safeguard world peace, to create a peaceful international environment, and to serve our country's socialist construction.

In referring to the future work of the regional Association for Friendship With Foreign Countries, Bu He touched on three points:

1. We should actively conduct nongovernmental contacts, and improve friendly relations between the people of our region and other countries. Our region is located in the northern frontier, neighboring the Soviet Union and Mongolia. We should make full use of the favorable conditions of our regional friendship associations, and its Soviet and Mongolia counterparts, to conduct nongovernmental contacts with the Soviet Union and Mongolia in a planned manner, and should properly increase the exchange and cooperation items. We should also conduct friendly contacts with the people of all countries through various firms, channels, and layers in order to make more new friends.

2. We should promote economic and technological cooperation and exchange through nongovernmental channels. We should act as a go-between, serve as a bridge, and provide information for the region to import technology and funds, and to bring in trained personnel in line with our region's local characteristics and natural resources, and by making use of our favorable conditions of having many channels for nongovernmental contacts, and having contacts with all fields. We should further develop trade contacts with all countries, and strengthen economic and technological cooperation by making use of foreign businessmen's direct investment, developing joint ventures, cooperative business, the three forms of import processing business, compensation trade and cooperation in extending loans, and importing technology. In addition, we should also develop various forms of cooperation such as carrying out contract projects abroad, exporting labor service, and running enterprises in foreign countries in an effort to promote economic construction in the region. We should actively carry out personnel exchange, strive to select some specialized personnel and students to study abroad, to engage in advanced studies and to make on-the-spot

investigations in order to absorb some advanced science and technology. In addition, we should continue to bring in specialists from economic, technological, cultural, and educational circles to serve the region's construction of the four modernizations and to train personnel. Furthermore, we should also extensively develop foreign contacts in the cultural, sports, and public health spheres as well as in other spheres in an effort to promote cultural exchange, strengthen friendship, and expand the region's influence in foreign countries.

3. We should strengthen external propaganda work. Among the foreign guests who came to our region, those who visited our region through their friendship associations and nongovernmental contacts accounted for a great proportion. We should adopt various forms to actively strengthen external propaganda work. Our publicity to foreign countries has fully manifested our region's national characteristics and local distinguished features. At present, we should give top priority to publicizing the true facts of the suppression of counter-revolutionary rebellion. We should also publicize the region's stable political situation, and the excellent situation in reform and opening to the outside world, and our region's great success in implementing the party's policy on regional national autonomy, and enable more foreign friends to have a deeper understanding of Inner Mongolia in the course of reform and opening up, and of the party's policy towards nationalities in an effort to promote our region's work of opening to the outside world.

After the amalgamation and readjustment of the region's four associations for friendship with foreign countries, the regional Foreign Affairs Office will set up an office of the friendship associations to serve as an administrative body of the regional Association for Friendship With Foreign Countries and the Inner Mongolia Chapter of the Cultural Exchange Center. This administrative body will take charge of routine work. Bu He and Wen Jing are the honorary presidents of the regional Association for Friendship With Foreign Countries. He Yao is the president, Bai Yun, Wang Guoshi, Chang Wanfu, Zhu-lanqike and Li Quanxi are vice presidents, and Anfu is the secretary general.

### **Inner Mongolian Chief Procurator on Corruption**

SK2908003189 Hohhot NEIMENGGU RIBAO  
in Chinese 27 July 89 p 2

[Excerpts] On the afternoon of 24 July, at the seventh Standing Committee meeting of the seventh regional People's Congress, Zhang Hesong, chief procurator of the regional People's Procuratorate, made a report on the situation of waging struggle against graft and bribery.

In his report, Zhang Hesong first dwelt on the region's basic situation in the struggle against graft and bribery in the first half of this year, and then on the several tasks grasped in this regard. He said: In the first half of this year, in accordance with the guidelines of the 4th plenary session of the 13th party Central Committee, and the guidelines of the national work conference of chief

procurators of various provincial, autonomous regional, and municipal procuratorates, procuratorial organs throughout the region, regarded the struggle against graft and bribery as the most important issue of the campaign of dealing blows to economic crimes, as an emphasis of the work of procuratorial organs, as an important measure for improving the economic environment, and rectifying the economic order, and as a major event for eliminating corruption and maintaining honesty of party and government departments. [passage omitted]

From January to July of this year, procuratorial organs throughout the region accepted and heard a total of 719 economic crime cases of various kinds, an increase of 74 percent over the figure of 413 in the corresponding period of last year. Of these cases, 517 were graft and bribery cases, an increase of 60 percent over the figure of 323 in the corresponding period of last year. At the same time, procuratorial organs throughout the region placed 311 cases on file for investigation, an increase of 51.7 percent over the figure of 205 in the corresponding period of last year. Of these cases, 224 were graft and bribery cases, an increase of 45.5 percent over the figure of 154 in the corresponding period of last year. Of these cases, 33 were serious and appalling cases, an increase of 43.5 percent over the figure of 23 during the same period of last year. [passage omitted]

In the first half of this year, procuratorial organs throughout the region completed the handling of 146 economic crime cases, prosecuted 68 cases involving 77 persons, and exempted 66 cases involving 83 persons from prosecution. At the same time, procuratorial organs retrieved 44,565,400 yuan in direct economic losses, of which, 1.6 million yuan was recovered illicit money, an increase of 530,000 yuan, or 49.5 percent, more than the figure of 1.07 million yuan in the corresponding period of last year. Generally speaking, the regional situation in waging struggle against graft and bribery was good.

In waging struggle against graft and bribery, procuratorial organs primarily grasped the work in the following several fields:

1. They voluntarily asked for instructions from and reported work to party committees and people's congresses, and subjected themselves to the leadership, supervision, and support of party committees, people's congresses, and governments. [passage omitted]
2. They vigorously pursued the work of enhancing understanding, and seeking unity of thinking, and strengthened the awareness in struggling against graft and bribery. [passage omitted]
3. They adopted measures in a timely manner to rapidly change the "landslide" phenomenon in handling cases. [passage omitted]
4. They concentrated energies on investigating and dealing with serious and appalling cases, beginning with leaders. [passage omitted]



5. They dispatched work groups to localities to conduct investigations and studies, and conduct inspection of, and guidance to the work of localities. [passage omitted]

6. They positively attended to the work of reporting economic crime cases, and opened the source of cases for dealing blows to graft and bribery. Thus far, there have been 106 economic crime control centers (stations) in the region. From January to May, these centers received reports on 1,001 cases which were within the jurisdiction of procuratorial organs. [passage omitted]

7. They attended to the propaganda of the legal system, took the political offensive, and exploited the power of policies to divide and demoralize criminals. [passage omitted]

At the meeting, Zhang Hesong also dwelt on the opinions on the work of the procuratorial organs throughout the region for the second half of this year.

#### **Birth, Population Growth Down in Inner Mongolia**

OW3108021089 Beijing XINHUA in English  
1415 GMT 30 Aug 89

[Text] Hohhot, August 30 (XINHUA)—The birth rate and the natural population growth rate are declining in North China's Inner Mongolia Autonomous Region.

Local statistics show that in 1988 the birth rate in the region stood at 18.96 per thousand and the natural population growth rate, 13.25 per thousand—respectively down 0.77 per thousand and 0.31 per thousand compared to 1987's figures.

The numbers are also 1.82 per thousand and 0.95 per thousand lower than the national averages.

#### **Northeast Region**

#### **Heilongjiang's Sun Discusses Afforestation**

SK3008122389 Harbin HEILONGJIANG RIBAO  
in Chinese 11 Aug 89 p1

[Text] On the afternoon of 10 August, Yong Wentao, member of the Central Advisory Commission and vice chairman of the State Greening Commission, said to Sun Weiben, secretary of the provincial party committee, and Shao Qihui, provincial governor, that combining afforestation with paper making is the best way for Heilongjiang's forestry industrial enterprises to eliminate "two crises": the forest resources crisis and the economic crisis of enterprises.

Yong Wentao once held a leading position in forestry for a long time. In early August, he participated in a seminar at the Weihe Forestry Bureau to study the strategy for developing the state forestry reform experimental area. On the afternoon of 10 August, Sun Weiben and Shao Qihui, as well as leading comrades of the Agricultural

and Forestry Committee of the provincial People's Congress, the Forestry Industrial Bureau, and other departments, heard from Yong Wentao his tentative idea about the strategy for developing our province's forestry industrial enterprises.

Yong Wentao said: Our country has very little forestry resources. We must rely on importing timber to ease the extremely acute contradictions between supply and demand. Relying on imports is not a good way out. Then, where is the way out? In my opinion, we must adopt the method of "giving guidance and treatment according to cases," and must actively develop forestry productive forces, particularly developing the production of forestry products. Judging from our country's forestry zoning, there are three types of forests: the public welfare forests, the commodity forests, and the multifunctional forests. We must give different guidance for different types of forests. In commodity forests, it is better to plant fiber-bearing trees, such as the fast-growing and high-yield poplar trees. In this way, we may shoulder the heavy burden of producing commodity timber on about 20 percent of the forest land. Other forest lands are free from universally undertaking the timber-producing tasks. Old forest areas may rest and build up strength. Finally, we may attain the goal of "combining the two tasks into one"—enabling forests to give full play to ecological benefits and to give full play to economic results.

Yong Wentao said: We should ponder the needs of the state and the possibility of achieving these tasks in line with this thinking. For example, is it possible for Heilongjiang to develop fiber-bearing forests on the one hand while developing the paper-making industry with a production capacity of 500,000 tons of paper in line with Heilongjiang's actual situation in communications, raw materials and water resources, on the other? Yunnan became rich through combining the efforts of tobacco growers with the development of industrial processing, and succeeded in producing finished products. The Heilongjiang paper-making trade has developed finished products and enriches the land of Heilongjiang.

In his 75-minute speech, this 77-year old minister of forestry resources, who brought his oxygen bag with him to the mountain, also talked about his views on reform in the forest areas and on developing border trade and other relevant issues.

Sun Weiben and Shao Qihui expressed appreciation for the tentative strategic plan of "combining forests with paper making," and held that this was very profound thinking. Forestry is a big issue concerning Heilongjiang's economic and social development. It is time to loudly appeal to the public and to make up our mind to realistically eliminate the "two crises" in the forest areas. The provincial party committee and the provincial government expressed hope that the general discussion carried in HEILONGJIANG RIBAO will finally be understood by all circles, and that a new method for solving this problem will be presented.



### Report on Liaoning Economic Development Plan

SK2908043789 Shenyang LIAONING RIBAO  
in Chinese 26 Jul 89 p 2

["Excerpts" of report on implementation of the plan for the first half of 1989 and the work arrangements for the second half of the year, made by Wen Shizhen, vice governor of Liaoning Province, at the 10th Standing Committee meeting of the 7th Liaoning Provincial People's Congress on 19 July]

[Excerpts] Entrusted by the provincial government, I am now submitting a report on the implementation of the national economic and social development plan for the first half of 1989 and the work arrangements for the second half of the year to the meeting for examination.

#### 1. Implementation of the plan for the first half of the year.

Since the beginning of the year, the province as a whole has conscientiously implemented the principle of "improving the economic environment, rectifying the economic order, and comprehensively deepening reforms," as defined at the 3d Plenary Session of the 13th CPC Central Committee, and the "1989 National Economic and Social Development Plan" approved at the 2d Plenary Session of the 7th Liaoning Provincial People's Congress; and has embraced it as a main target and a basic task for the economic work, gradually removing the overheated economy, ensuring that this year's price hikes will be noticeably lower than last year, and striving to reap a good agricultural harvest. Viewing the situation in the implementation of the plan for the first half of the year, we know that the development of the economy in the province was even. However, we were confronted with difficulties that had not been seen in the past few years and various kinds of prominent contradictions.

A. Agricultural production. This year's spring sowing was affected by the drought, the likes of which we have not seen for the past 60 years. From last October to last April, the province's precipitation was only half of that of the previous year. A total of 24 million mu of farmland was hit by the drought, accounting for more than 40 percent of the total arable land. The western area of the province could not preserve soil moisture. The areas that were hit by severe drought, including Chaoyang and Fuxin, even had difficulties in providing potable water for men and animals. About one-third of the province's crops were either not planted or their seedlings did not emerge. The province paid full attention to agricultural production, adopted a series of effective measures and practical steps for developing agriculture, and achieved initial victory over spring ploughing and sowing. 1) The preparatory work for spring sowing started earlier and was firmly grasped; 2) agricultural funds and goods and materials for agricultural use generally increased. Statistics compiled at the end of April showed that loans granted by banks and credit cooperatives across the province increased by 20.5

percent over the same period last year. In the January-June period, the appropriations from local finance sources to aid agriculture increased by 27.3 percent over the same period last year; 3) we adopted positive measures for strengthening the work to combat the drought and rush the planting. The province's dry spell was over from late May; and 4) the peasants were inspired with enthusiasm due to the fact that the state increased the amount of fertilizer to be supplied to sellers of grain and oil-bearing crops according to contracts, and raised the prices of some farm and sideline products. According to the statistics compiled in June, the areas sown with grain and soybean exceeded the planned targets.

B. Industrial production. The external conditions for industrial and communications production changed rapidly in the first half of the year. Due to the influence of the disturbances, the difficulties in organizing industrial and communications production this year were greater than any in other years. There were strains on energy resources, funds, and transportation. The provincial and city governments and the economic departments at various levels adopted some timely measures for strengthening the work of coordinating industrial and communications production. Through the concerted efforts of all the people of the province, various kinds of difficulties were overcome, and the industrial and communications production situation is better than expected. Of the 87 major products, the output of 44 of them, or 50.6 percent, increased over the same period last year. The production of light industrial and household-use electrical appliances increased by a wide margin. Of 38 daily industrial goods, most attained the production plans, and the production of 23 increased over the same period last year. The output of the eight daily industrial goods increased over the same period last year, except that the production of cotton cloth and polyester-cotton cloth was reduced due to the strain on raw materials. The market supply basically satisfied the people's needs. In the first half of the year, the province's total industrial output value increased by 6.0 percent over that of the same period last year. Of this, the light industrial output value increased by 8.1 percent, the heavy industrial output value increased by 5 percent, the output value of state industry increased by 3.3 percent, and that of collective industry increased by 9.9 percent. Although the target for registering a minimum 6-8 percent increase, which was defined at the beginning of the year, was attained, the industrial growth rate of Liaoning ranked second to last in the country after Tibet. All this was principally because the key industries failed to bring their advantages into play due to the strains on funds and electricity, the structure of production with focus on heavy industry, and the excessive number of large and medium-sized enterprises. The increased portion was mainly produced by light industry.

C. The investment in fixed assets. We made proper achievements in taking stock of ongoing projects and controlling the scale of investment in fixed assets. According to the statistics made by the end of May, the

province stopped and suspended the construction of 431 projects, and reduced 2.25 million square meters of construction areas and 2 billion yuan of investment. Of this, 182 were ongoing projects. Through stopping and suspending the construction of these on-going projects, 1.47 million square meters of construction areas and 566 million yuan of investment were reduced. Of the total projects whose construction was stopped and suspended, 196 were capital construction projects. By stopping and suspending the construction of these projects, 1.416 billion yuan of investment and 1.95 million square meters of construction areas were reduced. By stopping and suspending the construction of 235 technological transformation projects, 666 million yuan of investment were reduced. By stopping and suspending the construction of 128 office buildings, hotels, guesthouses, and meeting halls, 743 million yuan of investment and 780,000 square meters of construction areas were reduced. The work of taking stock of ongoing projects continues.

Along with the progress of the work of taking stock of fixed assets, the province made noticeable results in controlling the scale of investment and new construction projects. The investment in fixed assets in the first half of the year was less than that of the same period of last year by 15.9 percent. Of this, the investment in capital construction projects was reduced by 8.5 percent from the same period of last year, and that in technological transformation was reduced by 26.4 percent. The number of new projects was reduced from 151 in the first half of last year to 40 this year. Meanwhile, we devoted a lot of time and energy to key construction projects in the course of readjusting the investment structure.

D. Urban and rural markets. Urban and rural market supply was comparatively stable and the supply and demand of daily industrial goods tended to be normal thanks to the fact that the governments at various levels adopted a series of measures for ensuring the supply of daily industrial goods.

In the first half of the year, the volume of retail sales of commodities increased by 24.5 percent. The urban and rural markets principally changed as follows: 1) The growth rate of the volume of retail sales of commodities was reduced; 2) the sales of daily industrial goods were steadily reduced; 3) the supply of the commodities whose supply should be guaranteed was basically normal. The phenomena of commodities being out of stock did not basically emerge thanks to the fact that the governments at various levels generally set up responsibility systems and adopted different methods for supplying different varieties of goods; and 4) the provincial government transmitted to lower levels a mandatory plan for guaranteeing that each and every urban dweller should plant 5 li of vegetables, and all localities generally attached importance to "vegetable baskets." Despite the serious drought, the supply of vegetables, eggs, and poultry was better than in previous years.

The situation in which the prices of goods continued rising still existed. As of the end of June, the index for the retail sale prices of commodities increased by 25.2 percent over the same period last year. However, the tendency of price hikes was brought under control. Analysis showed that the reason for price hikes was principally due to the rapid price hikes during last year. Over 85 percent of the commodities raised their prices last year. The prices of food and clothes, particularly, expensive durable consumer goods, were stably reduced. All this indicated that the market situation was good.

E. Foreign export trade. In the first half of the year, the foreign trade ports across the province fulfilled the state-assigned export plan by 62.8 percent, increasing 10.4 percent over the same period last year. Of this, the export of local products amounted to \$1.17 billion, fulfilling 63.3 percent of the provincial plan and showing an increase of 18 percent over the corresponding period of last year.

In the January-June period, the province signed 160 contracts on using foreign capital, totaling \$404 million, and on building 94 "three-capital" enterprises, involving \$53,240 [as published]. A total of \$202 million in foreign capital was really used. A special characteristic of using foreign capital since the beginning of this year is the high success rate.

F. Finance and banking. Since the beginning of the year, the banking departments at various levels have further implemented the principles and policies of the State Council and the provincial government on controlling credits and loans and stabilizing the bank market, and scored good results in this regard. By the end of June, the banking organs across the province had 60.429 billion yuan in savings deposits, an increase of 3.744 billion yuan over the figure at the beginning of the year; and the loans granted by these organs reached 81.068 billion yuan, an increase of 4.537 billion yuan over the figure at the beginning of the year. Banks realized a net withdrawal of currency from circulation, and the input of currency was 895 million yuan less than that of last year. In the January-June period, the local revenues reached 5.73 billion yuan, accounting for 45.7 percent of the annual plan and showing an increase of 17.2 percent over the same period of last year. The local expenditures increased by 9.3 percent over the same period last year.

At the time of developing the economy, the province has made new progress in developing social undertakings.

## 2. The Tendency of Development and the Major Countermeasures in the Second Half of the Year.

Along with the stabilization of the national political and economic situation and the progress in the work of improving the economic environment and rectifying the economic order, the development of the economy will become stable in the second half of the year. However, the fulfillment of the main targets and the basic tasks for the national economic development are still arduous. We may say that we are confronted with a severe test. Major

indicators are as follows: 1) The external conditions for economic development cannot basically be changed principally because of a lack of electricity, funds, and raw materials. It will be difficult for the power supply in the second half of the year to maintain the level of the first half of the year. Coal is still in short supply. The province lacks 1.5 billion yuan of funds for industrial and communications production. Along with the market changes, several large durable consumer goods became unsalable and kept in stock. As a result, the withdrawal of currency has been affected. Light industrial, textile, and metallurgical trades still have great difficulties in organizing production; 2) the economic results are not ideal enough and there are great difficulties in realizing the budgetary targets; 3) some durable consumer goods are unsalable on urban and rural markets because the increase in the consumption funds was higher than that in labor productivity. The masses have the idea of holding money and waiting for purchases. Unstable factors still exist. Although the factors for price hikes in the second half of the year will noticeably be fewer than those in the first half of the year, there are still great difficulties in realizing the target of having this year's price index lower than that of last year; and 4) a new situation of foreign economic trade emerges. [passage omitted]

The general ideology for guiding the province's economic work is as follows: In line with the requirement for grasping four major tasks as set forth at the 4th plenary session of the 13th party Central Committee, we should implement the guidelines of the 8th enlarged meeting of the 6th provincial party committee; use the guidelines of the 4th plenary session and Comrade Xiaoping's speeches to unify the thinking of cadres at various levels and the broad masses of staff and workers; unswervingly carry out the economic structural reform with the focus on enlivening large and medium-sized enterprises; continue to grasp the tasks for improving the economic environment, rectifying the economic order, and comprehensively deepening reforms; unshakably accelerate the pace of opening Liaodong peninsula to the outside world; maintain an unchanged economic development speed; reap a good agricultural harvest; ensure that there is no change in the decision that this year's price hikes will noticeably be lower than those of last year; implement the fighting goals defined at the 2d session of the 7th provincial People's Congress; promote a stable and coordinated development of the economy in the province; strive to make a good arrangement for urban and rural markets; increase effective supply; continue to deepen the "double-increase and double-reduction" campaign; overcome various kinds of difficulties; do practical deeds to make up for the losses due to the disturbances; and make outstanding achievements to welcome the 40th anniversary of the founding of the PRC. [passage omitted]

## Northwest Region

### Gansu Starts Operation To Fight Pornography

HK3008115489 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 27 Aug 89

[Excerpts] (Zhang Xuezhong), Vice Governor of Gansu province and Director of the Gansu Provincial Leading Group for Administration of the Cultural Market of Gansu Province, delivered a broadcast speech at this radio station yesterday. He said:

[Begin recording] We in this province have concentrated our efforts on the operation to straighten out the cultural market since July. In the past month or so, under the correct leadership of the provincial party committee and the provincial government, all prefectures, autonomous prefectures, and cities have plunged into the operation. So far nearly 2,000 people have been assigned to inspect 1,978 printing presses, book stores, newsstands, book bazaars, audio-visual product shops, video show centers, ballrooms, and snooker rooms; a total of 748 copies of books by 2 kinds of writers, 10,455 copies of pornographic books, 34,644 copies of illegal publications, 154 pornographic video cassettes, 1,586 illegal video cassettes, 5,437 illegal audio cassettes, 3,376 pieces of goods for superstitious worship, and 1,627 packs of playing cards with pornographic pictures have been confiscated; more than 133,200 copies of books and periodicals which are regarded unsuitable for circulation have been sorted out; and 2 illegal book distribution centers have been searched out and banned. On 14 August, a number of pornographic books, periodicals, and audio-visual products were burned at the square in front of the Lanzhou railway station. Other pornographic publications have been sent to paper mills to make paper pulp. This has cheered the broad masses. [passage omitted]

We are sure that in the wake of the victory of the anti-pornographic struggle, a greater number of better literary and artistic works will emerge and a healthy, rich, and colorful cultural market will be built up to provide the readers with more nourishment of better quality for the mind. [end recording]

### Qinghai Urges Speed in Handling Major Cases

HK3008120489 Xining Qinghai Provincial Service  
in Mandarin 2230 GMT 29 Aug 89

[Excerpts] The provincial party committee will adopt measures to investigate and handle serious and major criminal cases without delay.

To do the work of investigating and handling serious and major criminal cases better, the provincial party committee has called on party committees, Discipline Inspection Commissions, and procuratorial and judicial departments at various levels to deepen their understanding, strengthen leadership, concentrate efforts and reinforce organizations to arrange recorded criminal cases in order of importance and urgency to investigate



and handle them seriously. Judicial organs at different levels must make a firm resolve to handle serious and major cases and leaders in charge must personally attend the work. [passage omitted]

The provincial party committee also urged local authorities to give full play to the role discipline inspection commissions, procuratorates and judicial organs. Meanwhile, they may also ask veteran comrades from people's congresses and the Chinese People's Political Consultative Conference Committees to give a helping hand in investigating and handling major and hardened cases so that veteran comrades may play a part in the anti-corruption and anti-bribery struggle. [passage omitted]

### **Qinghai Stresses ID Card Use, Verification**

HK3008151989 Xining Qinghai Provincial Service  
in Mandarin 2230 GMT 28 Aug 89

[Excerpts] The provincial public security department, the provincial Higher People's Court, the provincial Civil Affairs Bureau, and 20 other organs recently jointly issued a circular, demanding that resident identity cards be appropriately used and examined.

The circular said: As from 1 September, a resident identity card, using and examining system will be implemented throughout the province. With regard to election registration, household registration, conscription, and other formalities, every department concerned is required to examine the identity cards of the citizens concerned, except those who do not need an identity card as prescribed by law. [passage omitted]

The circular noted: Public security organs are authorized to examine and verify resident identity cards. When chasing escaped convicts, checking household registration, and performing other official duties, public security organs are authorized to ask citizens to show their identity cards for examination. Any public security officer who intends to check a citizen's identity shall first show his own official I.D. card and shall strictly abide by the regulations and implementation procedures for resident identity card control and the provisions concerned promulgated by the Ministry of Public Security. [passage omitted]

### **Shaanxi Governor Urges Boosting Industry**

HK3008142689 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 28 Aug 89

[Excerpts] Yesterday morning, the provincial party committee and the provincial government held a meeting of leading cadres of organs directly under the provincial authorities. The meeting participants were briefed on the progress in industrial production in the province. Leading comrades and the vast number of workers were urged to take prompt action, do their utmost, and make concerted efforts to ensure fulfillment of all industrial and transport production quotas for this year.

Yesterday's leading cadres' meeting was presided over by Dong Jichang, Zhang Boxing, Li Xipu, Yu Ming, and other leading comrades attended the meeting, and Hou Zongbin delivered a speech.

This year the overall economic situation in this province is better than last year. From January to July, the gross industrial output value contributed by units at and above the township level exceed 14.7 billion Yuan, an increase of 13.7 percent over the same period last year; the income arising from sales of goods of industrial enterprises covered by local production plans increased by (221.1) percent over the same period last year; the amount of turned over taxes and profits increased by 25.4 percent; and the local financial revenue totaled 2,049 million Yuan, an increase of 15.8 percent.

Having analyzed the factors contributing to the above achievements, Hou Zongbin pointed out: As we have learned, for the moment the difficult situation in which the aggregate demand exceeds the aggregate supply has not been improved, the province is facing shortage of funds, energy, and raw materials with regard to industrial production and transport service, the market is far away, and there is a serious insufficiency in transport facilities. As we have to do our utmost to overcome these difficulties, we can hardly prevent a slowdown or drastic decline in industrial growth in the next few months. [passage omitted]

### **Shaanxi Meeting on Clean Administration Ends**

HK3008135089 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 29 Aug 89

[Excerpts] The provincial work conference on maintaining a clean and honest administration concluded yesterday.

When speaking at meeting, Governor Hou Zongbin, also deputy secretary of provincial party committee, emphasized: Leaders and party and government organs as well must take the lead in developing a clean government system and pass any stiff test with flying colors. [passage omitted]

Speaking on how to implement the spirit of the meeting, he stressed that party committees and governments at different levels must take the maintenance of a clean and honest administration as a pressing task and a matter of life and death for the country, concentrate efforts on the examination of some serious and major criminal cases, establish a system of ending corruption, improve efficiency in work of developing a clean government system and give more leadership to the work. Hou Zongbin continued that in developing a clean government system at the moment, what is most important is to concentrate fire at some serious and major cases and that party committees and governments at all levels should seize the opportune moment to solve problems which the masses of the people react strongly to and seriously handle cases of embezzlement, bribery and speculation. [passage omitted]

Provincial leaders Zhang Boxing, Dong Jichang, Mou Lingsheng, Sun Kehua, (Xu Senlin), (Hong Qingjie) and Li Huanzheng attended the meeting.



### Premier Encourages Aid to Mainland Student

OW3008225889 Taipei CNA in English  
1555 GMT 30 Aug 89

[Text] Taipei, Aug. 30 (CNA)—Premier Li Huan said Wednesday the Republic of China [ROC] Government will issue a passport to mainland Chinese student Yang Po who is now stranded at the ROC Embassy in South Korea.

The government will do whatever it can to help Yang stay in the free world, the premier said after instructing the Foreign Ministry to discuss with Seoul the possibility of issuing a visa to Yang.

South Korean authorities have reportedly responded they have their own difficulties issuing a residency visa to Yang.

Taipei is troubled because Yang's case does not fit the National Security Law requirement that Mainland Chinese must remain in the free world for more than four and a half years before they can be permitted to enter Taiwan.

Whether Yang gets a visa from South Korea or a third country or not, the government will issue him an ROC passport, Premier Li stressed.

Li noted that the government is doing this in compliance with regulations governing assistance to Mainland Chinese who renounce communist Chinese citizenship.

"This is not an exceptional case," he added. "We are treating it as an ordinary case."

Foreign Ministry spokesman Chen Yu-chu said the ministry was inclined toward respecting Yang's personal wishes to stay in South Korea to study and marry. Yang has a girlfriend who is a Korean-born Chinese.

The ministry has asked the ROC ambassador to South Korea Tsou Chien to seek the host country's help in allowing Yang to stay in Korea.

Foreign Ministry officials said if South Korea declines to give Yang a residency visa, the government will seek the help of other countries' in providing temporary refuge to Yang while he applies for residency in Korea.

Yang, 20, studied in Japan before going to Seoul with his overseas Chinese girlfriend. His visa to stay in Korea expired last Sunday. He said he wants to defect to the ROC.

### Leaders Welcome Guatemalan President

OW3008230689 Taipei CNA in English  
1603 GMT 30 Aug 89

[Text] Taipei, Aug. 30 (CNA)—The state visit of Guatemalan President Marco Vinicio Cerezo Arevalo to the Republic of China [ROC] has added another page to the history of relations between the two nations, President Li Teng-hui said here Wednesday afternoon.

Extending warm personal welcome to President Cerezo following a military salute for the Guatemalan head of state upon his arrival at the Sungshan Military Airport, President Li pointed out that Cerezo's state visit "will certainly strengthen cooperation between our two countries and contribute to the safeguarding of international justice and world peace."

Li praised Cerezo as not only a judicious leader loved by the Guatemalan people, but also one of the most distinguished statesmen of Central America.

"Although the Republic of China and Guatemala are geographically far apart, the two nations share the same stands in their respect for freedom and the rule of law, and have maintained a cordial relationship. President Cerezo's visit will certainly add another new page to the cooperative relationship between our two nations," Li said.

In reply President Cerezo said he was convinced that Guatemala would achieve its goal of giving itself a new image as a free, democratic country in Central America by strengthening its relations and friendship with the ROC.

He said his current visit to the ROC would demonstrate to the world Guatemala's determination to perfect its democratic system, and to contribute to world peace and stability.

President Cerezo flew into Taipei's Sungshan Airport at 4:30 p.m. to begin a six-day state visit—his first to the ROC in his current capacity as Guatemalan chief of state. His previous visit to the ROC was in 1983 while he was leader of the opposition.

President Li, accompanied by ranking ROC government officials, greeted President Cerezo on the airport tarmac as the latter was accorded a 21-gun salute.

After the national anthems of the two nations were played, the two national leaders reviewed an honor guard. Following the brief speeches by the two heads of state, Taipei Mayor Wu Poh-hsiung presented a key to Taipei to President Cerezo as a token of the city's hearty welcome to him.

Before leaving the airport, the two national leaders shook hands with greeters. Many primary and high school students waved the national flags of both countries, while shouting "How are you, Mr President" in Spanish to welcome the Guatemalan president.

### Japanese Dietman Receives Decoration

OW3008230589 Taipei CNA in English  
1512 GMT 30 Aug 89

[Text] Taipei, Aug. 30 (CNA)—Foreign Minister Lien Chan Wednesday, on behalf of President Li Teng-hui, conferred the Order of Brilliant Star With Grand Cordon

on Japanese Dietman Sadanori Yamanaka for his contributions to promoting friendly ties between the Republic of China [ROC] and Japan.

Yamanaka, 67, has held many important posts including the director general of the Self-Defense Agency, director general of the Environmental Protection Agency, and head of the Ministry for International Trade and Industry (MITI). He has been elected a member of House of Representatives 13 times.

Yamanaka, a graduate of former Taipei Normal School, once taught in Pingtung County in southernmost Taiwan. He is member of the Japanese Dietmen's Council on Relations Between Japan and the ROC and has strived to promote friendly ties between the two countries, including the establishment of air service between the two countries.

Yamanaka is visiting Taiwan at the invitation of the Chinese Government. During the past few days, the Japanese Dietman was received by President Li Teng-hui and Premier Li Huan. He has also studied the implementation of the value added tax (VAT) in the Republic of China.

The presentation at the Ministry of Foreign Affairs was witnessed by more than 30 Chinese and Japanese political economic and trade leaders.

### **New Program To Cut Trade Deficit With Japan**

OW 3008230389 Taipei CNA in English  
1125 GMT 30 Aug 89

[Text] Taipei, Aug. 30 (CNA)—The ROC [Republic of China] Government has approved the long-awaited budget for a program designed to reduce the island's massive trade deficit with Japan.

The cabinet approved the budget for the first year of the program, designed by the Board of Foreign Trade (BOFT) to reduce or eliminate Japan's trade surplus with the ROC within three years. Armed with the necessary funding, the BOFT and the China External Trade Development Council (CETRA) will work together to implement the program.

The BOFT proposes total expenditures of 2.4 billion New Taiwan dollars for the first year, 1.7 billion New Taiwan dollars of which is to be used for importation of Japan's advanced technologies, an idea long approved by the cabinet.

BOFT officials noted that the most important expenditure will be on the establishment of a 500 million New Taiwan dollars trade center in Osaka, which will serve as a foothold for ROC manufacturers promoting sales in Japan. According to the BOFT, the center is currently under construction and is expected to open its doors in 1992.

## Hong Kong

### Pressure Applied To Drop Democracy Calls

HK3108013389 Hong Kong HONGKONG STANDARD  
in English 31 Aug 89 p 1

[By Ma Mlu-wah]

[Text] China is putting increasing pressure on Hong Kong to drop calls for greater democracy after 1997, according to mainland Basic Law drafters.

One China drafter, Mr Shao Tianren, said Beijing was becoming hostile towards Hong Kong because of the territory's increasing sympathy for anti-Beijing elements.

China sees the recent two-house plan proposal put forward by the conservative New Hong Kong Alliance as a possible alternative in the current political debate.

Beijing also sees it as a way for China and local conservatives to keep the future political machinery from being controlled by liberals hoping to be returned by direct election.

While Beijing may not have accepted the liberals' proposals, it has not been slow to accuse the conservative business and professional Group of 89 of being "inconsistent" and "easily moved".

According to sources, Beijing officials told leaders of the Group of 89 recently their members should not bend to the model of the Office of the Members of the Executive and Legislative Councils (Omelco).

In June, local legislators accepted an Omelco consensus proposing that half of the post-1997 legislature be returned by direct election.

They included Group of 89 members Mr Stephen Cheong Kam-chuen, Mr Ho Sing-tin, Mr Peter Wong Hong-yuen and Mr James Tien Pei-chun.

"Rejecting it, mainland drafters ruled the model has gone beyond the limits of prudent pace" the source said.

"Mr Xiao Weiyun took particular pains to point out that all Basic Law drafters, including Mr Martin Lee Chuming and Mr Szeto Wah, have agreed that the endorsement of any political blueprint must abide by the principle of a prudent pace of development," said the source.

Mr Xiao, mainland coconvener of the political sub-group of the Basic Law Drafting Committee, made that remark to a Basic Law Consultative Committee delegation earlier this month.

"The emergence of the Omelco package, apparently with Britain's blessings, has prompted China's desire for an alternative.

"China may not have accepted the two-house plan, but it is sympathetic towards it and encouraged its emergence," said the source.

Mr Lo Tak-shing, who heads the alliance, said two days ago that various Chinese officials had said their plan was worth considering.

Mr Shao Tianren, coconvener of the BIDC sub-group on Sino-Hong Kong relations, was quoted by the source as having said: "The Hong Kong voices raised in opposition to Beijing are finding their feelings reciprocated in Beijing.

"They think it would be ill-advised to relax controls over Hong Kong because they feel the territory is already in a mess.

"Although they understand the reasons for the increasing calls for more democracy, mainland officials do not see Hong Kong sufficiently equipped and prepared for a drastic change," the source said.

Major Chinese government departments are said to have already drawn up a unified stance on Hong Kong policy, which points to sterner and tighter control.

A meeting was held recently between the local branch of Xinhua News Agency and the two Hong Kong and Macao Affairs Offices under the Foreign Ministry and the State Council.

The meeting concluded Beijing would react strongly to Britain's attempt to exercise more say in the territory's future, which China regards as something already beyond their past agreement and as interference in China's internal affairs.

Observers said the political debate had escalated to a fight between London and Beijing.

### PRC, Taiwan Study Proposal for UN Asian Base

HK3108015789 Hong Kong HONGKONG STANDARD  
in English 31 Aug 89 p 1

[By Tammy Tam and Leung Sze-man]

[Text] Beijing and Taiwan are studying a proposal by a Hong Kong-based Kuomintang member for an Asian headquarters of the United Nations in Hong Kong after 1997.

Mr Pok Shau-fu, a former Taiwan legislator, said yesterday his suggestion for moving the UN Asian headquarters from Bangkok to Hong Kong was an effort to re-establish Hong Kong people's confidence.

"I made two suggestions soon after the June 4 incident," he said.

"The first was to make Hong Kong a neutral region for 25 years after 1997 and the second one was to make Hong Kong the base of more international organisations, especially those under the United Nations," he said.

The suggestions have been passed to Beijing through the Hong Kong Branch of the Xinhua News Agency, after Mr Pok met the branch's director, Mr Xu Jiatun, early this month.

"I was informed by an official of the agency that my second suggestion is more feasible while the first one would be more difficult to realise," Mr Pok said.

Meanwhile the chairman of the United Nations Association in Hong Kong has said the establishment of a UN operation station for Asia Pacific countries here is imminent.

Mr Chu Ho-yin will discuss details of the proposal with representatives from some 40 Asia Pacific nations at a seminar to be held in Moscow in October.

But Mr Chu poured cold water on the suggestion by casino tycoon Mr Stanley Ho that the United Nations set up a multi-million-dollar regional base here.

"Mr Ho and his supporters' enthusiasm is laudable but I am sure it will remain a dream," he said.

In an interview with THE HONGKONG STANDARD Mr Pok said that as an international metropolis, it was a great pity that not a single international organisation had its headquarters in Hong Kong.

"What we have now is only a Hong Kong Office of the United Nations High Commissioner for Refugees," he said.

As official of XINHUA's Hong Kong office confirmed yesterday that Mr Pok and Mr Xu had discussed Mr Pok's proposals.

"But we don't know how Mr Xu dealt with these suggestions after the meeting," said the official.

Mr Pok said the Taiwan authorities would prefer to keep Hong Kong as a neutral region after 1997, "but they also appreciate my other suggestion".

"The motive of my suggestions is keeping Hong Kong people's confidence. It has nothing to do with Beijing's reclaiming its sovereignty over Hong Kong after 1997," said Mr Pok.

He said he hoped China could discuss the issue with Britain then raise it in the Security Council.

"Both China and Britain are permanent members of the council. If they make the proposal, it will be surely approved. And once it is approved, I don't think it will be a big problem to negotiate with Thailand on the matter."

The proposal for an Asia Pacific UN operation station here will be raised at the 32nd plenary assembly for the World Federation of the United Nations Association in Moscow in October.

Mr Chu of the local UN association said he had gained verbal or written support from all Asia Pacific nations.

"With financial support from local tycoons, the idea will highly likely be realised," he said.

Mr Chu said he would ask the British Government to relay the proposal to the United Nations for approval upon his return from the four-day assembly.

Mr Chu called on Mr Ho to divert his enthusiasm to this proposal.

The idea was to have United Nations experts in various fields stationed permanently here, he said, with a support staff of 2,000 to 5,000.

But Mr Chu emphasised that the closer Hong Kong came to 1997, the less likely the proposal was to be realised.

"Time is running out. Action must be taken immediately. Hong Kong people should take a leading role in this," he said.

Mr Chu said the 33rd plenary assembly for the World Federation of United Nations Association was likely to be held here in 1991.



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